

Appendices to the Review of Higher Education in Wales Phase 1 Report

	<i>Page</i>
Appendix 01	
Press Notice announcing the establishment of the Review of Higher Education in Wales	26
Appendix 02	
Pen Pictures of Chair and the Review Task and Finish Group Members	28
Appendix 03	
Terms of Reference for the Review of Higher Education in Wales	37
Appendix 04	
Meetings of the Task and Finish Group	41
Appendix 05	
Definition of Funding Types	44
Appendix 06	
Eligibility table and graphs illustrating current statutory student finance arrangements, indicating entitlement by household income, for full-time undergraduate students normally living in Wales studying at Welsh HEIs (not living at home) and entering HE in AY 2008/09	47
Appendix 07	
Matrix summarising the key features of the current student finance arrangements of each of the four UK countries	50
Appendix 08	
Summary statistical information on the Welsh HE sector and students normally living in Wales	51
Appendix 09	
Student Finance Reform Options – Illustrative Scenarios Considered by the Task and Finish Group: implications for the statutory student finance system for students normally living in Wales, studying at Welsh HEIs and entering HE from AY 2010/11 (illustrated in eligibility tables)	55
Appendix 10	
Student Finance Reform Options – Illustrative Scenarios Considered: Student Case Studies	63
Appendix 11	
Student Finance Reform Options – Illustrative Scenarios Considered: Graphs demonstrating the consequences of current forecasted arrangements and each illustrative scenario for full-time undergraduate students normally living in Wales and studying in Welsh HEIs, and the student case studies	73
Appendix 12	
Glossary of Terms and Abbreviations	86

Press notice announcing the establishment of the Review of Higher Education in Wales

Minister announces Task and Finish group to review higher education in Wales

Education Minister Jane Hutt today announced the membership of a Task and Finish group that will conduct a two-stage review of higher education in Wales.

The first stage of the review, to conclude by the end of September 2008, will consider student finance arrangements in Wales. In particular, the group will assess the extent to which student finance is targeted to widen access and encourage take up of priority subjects as well as the need to identify options to help tackle graduate debt.

The second phase will focus on reviewing the purpose and role for higher education in Wales taking account of the vision set out in *Reaching Higher* – the Assembly Government's strategy for the higher education sector in Wales and its skills and employment strategy, *Skills that Work for Wales*. It will also look at higher education policy developments in England and Scotland as well as analysing the current and likely future demands and needs of learners, the economy and society. The second stage of the review should be completed by the end of February 2009.

Jane Hutt said:

I am pleased to announce that I have established a Task and Finish Group to look at the Assembly Government's policies for higher education in Wales.

Reaching Higher set out a vision for an inclusive and world-renowned higher education sector in Wales to 2010.

Since its publication in 2002, there have been a number of significant strategic developments such as *One Wales*, *Making the Connections*, *The Learning Country 2* as well as the recent publication of the Webb Review report *Promise and Performance*. It is therefore time to refresh the strategy in light of these new agendas and ensure we respond to the many challenges and opportunities faced by higher education in Wales.

This is a crucial project for the Assembly Government and I look forward to receiving the analysis and advice from Professor Merfyn Jones and his team.

The membership of the Task and Finish Group is as follows:

- Chair - Professor Merfyn Jones - Vice-Chancellor (Chief Executive Officer) of Bangor University.
- Professor Danny Saunders - Head of the Centre for Lifelong Learning (CeLL) at the University of Glamorgan.
- Roger Thomas OBE - Chair of the Higher Education Funding Council for Wales (HEFCW).
- Mr Rob Humphreys - Director of the Open University of Wales.

- Professor Robin Williams - Honorary Professor at the Multidisciplinary Nanotechnology Centre, School of Engineering, Swansea University.
- Alison Itani - Director of Wiltan Ltd.
- Louise Casella – Director of Strategic Development, Cardiff University.
- Ben Gray – President Designate, NUS Wales.

25 June 2008

(Source:

<http://new.wales.gov.uk/694302/third/educationskills/2008/jantoaugust/06june/?lang=en>)

Pen Pictures of Chair and the Review Task and Finish Group Members

Chair – Professor Merfyn Jones

Professor Merfyn Jones is the Vice-Chancellor of Bangor University.

Professor Jones was brought up in Gwynedd, North Wales. He graduated from the University of Sussex and the University of Warwick before being appointed to his first research post at Swansea University in 1971, researching the history of the South Wales coalfield. In 1975 he moved to the University of Liverpool where he taught for fifteen years and served as Director of Continuing Education and Dean of Faculty. He transferred to Bangor University and became Head of the School of History and Welsh History, Professor of Welsh History, Dean of the Faculty of Arts and Social Sciences and Pro-Vice-Chancellor. He was Acting Vice-Chancellor during 2003 before becoming the University's sixth Vice-Chancellor in August 2004.

His volume on the North Wales quarrymen won the Welsh Arts Council Prize for Literature and he is the author of numerous books and articles on the history of modern Wales. He was, for seventeen years, the editor of *Llafur: The Journal of Welsh Labour History*. He has also been a prolific broadcaster on radio and television and wrote and presented the thirteen-part history of Wales in the twentieth century, *Cymru 2000*, broadcast on S4C in 1999. He was awarded a BAFTA (Cymru) award for his outstanding contribution to history on television.

He served as a member of the Broadcasting Standards Commission and also served a four-year term from 2003 as a member of the Board of Governors of the BBC. He was also Chair of the Broadcasting Council of Wales. Until recently he was Chair of Higher Education Wales (which represents all Higher Education establishments in Wales) and a Vice-President of Universities UK, which represents the Higher Education sector in the UK. He is currently a member of the Board of Universities UK.

Louise Casella

<p>Mrs Louise Casella is Director of Strategic Development for Cardiff University. Her portfolio covers strategic planning, resource allocation, research and commercial support services, public relations and communications, development and fundraising activity, alumni services, and international relations.</p>

<p>Louise has worked at Cardiff University since 1988, having been appointed originally as a graduate assistant to support the merger of University College Cardiff and UWIST. More recently she led the operational management of the merger between Cardiff University and the University of Wales College of Medicine. Her career at Cardiff has been developed in strategic planning, where she has taken major roles in shaping the Research Assessment Exercise (RAE) submissions for the University and in developing resource allocation modelling and school and university planning systems.</p>
--

<p>Louise is a member of the Executive Committee of the Association of Heads of University Administration, a member of the Higher Education Bursary and Scholarship Scheme Board and was previously a director of the Office of the Independent Adjudicator for student complaints. Outside of higher education, Louise is also a member of the CBI Council for Wales and a trustee of the Millenium Stadium Charitable Trust.</p>
--

<p>Louise lives in Cardiff and is married with two sons, one currently at University and one in secondary education.</p>
--

Ben Gray

Ben is originally from England having grown up in Basingstoke, Hampshire. Following a GAP year, in which he worked as the Marketing Officer for a steam railway full time, he attended Aberystwyth University where he gained a BscEcon in International Politics with Strategic Studies.

Following his successful study he went on to spend 2 years in Aberystwyth Guild of Students as a sabbatical officer. The first year of this was spent as the Education and Welfare Officer, heavily involved with the student response to the AUT strike action. In his second year as a sabbatical officer in the Guild he was elected as Guild President, this time being instrumental in a successful roll-out of a new student bus card offering free travel in Aberystwyth.

He was elected as NUS Wales President in March 2007 and was subsequently re-elected in March 2008 for a second term of office, running until June 2009. In this time he has worked closely with sector bodies like HEFCW and QAA with the aim of delivering a more open and reflective Higher Education sector.

Hobbies and interests:

Ice Hockey fan (although can't skate!)
Rugby
Walking
Steam Railways

Rob Humphreys

Rob Humphreys is Director of the Open University in Wales. Prior to this he was Director of the National Institute for Adult Continuing Education in Wales. He previously lectured in adult education at Swansea University, and during that time was the first Co-ordinator of the Community University of the Valleys project.

Originally from Montgomeryshire, he was educated at Ruskin College Oxford and Cardiff University.

He was appointed by the Minister for Education and Lifelong Learning in Wales to the first and second 'Rees Reviews' of higher education funding and student hardship and fees. In 2005, he was appointed to the Graham Review of part-time higher education fees and funding, and in 2006 was appointed to the Ministerial Advisory Sub-Panel on Skills and Lifelong Learning.

He has been a long standing member of the City and County of Swansea Citizenship Group, and in 2003-2004 was Chair of the All Wales Ethnic Minorities Association 'Active Citizenship' Committee. He was a founder member and chair of the Swansea Festival of Learning in 2005.

He is currently a specialist adviser to the Welsh Affairs Select Committee of the House of Commons.

He is Fellow of the National Centre for Public Policy, and, in 2005, was awarded a Distinguished Teaching Award at Swansea University, for his work with adult part-time students.

Alison Itani

Alison Itani has been a Director of Wiltan Limited since 2005. She initially trained as a nurse at the John Radcliffe Hospital in Oxford and moved to Wales 18 years ago, she has worked at managerial level within the Healthcare, Retail and Media sectors.

Wiltan Limited was formed in 1985 by Alison's husband and is a small manufacturing company based in Pontypool, North Torfaen which manufactures components for the transformer industry. From a modest start as the smallest UK manufacturer of these parts it has grown to become the UK's major supplier and also an exporter with 40% of turnover being export business worldwide. Wiltan supplies companies such as ABB, Schneider, Siemens and Hawker Siddley. Their components are used in products as diverse as body scanners, railway signalling equipment, aeroplanes including the new Airbus A380, and film special effects devices. The company currently employs 40 people.

Alison like most directors of small businesses has a number of key roles but her main areas of operation are Human Resources and Finance. In her role as HR Director Alison has always placed an important emphasis on the up-skilling and provision of training opportunities for all employees. The company was one of the first fifty companies in Wales to pilot the Company Learning Account – then administered by ELWa – and now runs a Workforce Development Account. In April 2006 Wiltan signed the Basic Skills Agency's Employers Pledge and has been accredited with the award in June 2007.

The company has always embraced opportunities to implement diversity in its recruitment strategies and in 2002 was awarded a New Deal Award by JobCentre Plus. Earlier this Year they were named as the SME Category winner of The JobCentre Plus Wales Diversity Award.

Since 2003 the company has also actively opened its recruitment to offenders completing their sentences at HM Prison Prescoed and ex-offenders in general. Alison believes that employers have to be proactive if people who leave prison are to be given the opportunity to fully re-enter society. In December 2004 Wiltan Limited was awarded Investors in People Status.

As a result of these strategies Alison sat on a National Offenders Management Service (NOMS) Wales Education, Training and Employment (ETE) Pathway: Employment Delivery Team at the National Assembly, and is a senior Representative on the National Employers' Reference Group at the Ministry of Justice.

In 2007 the company hosted one of the BiTC's Prince's Seeing is Believing visits where other business leaders from Newport and Cwmbran had an opportunity to see first-hand the work that has been undertaken at Wiltan Limited and challenge their own recruitment and employment policies.

She is also a member of Torfaen County Borough Council Basic Skills Strategy Group and Wiltan Limited is named as a Strategic Partner in the Council's cradle-to-grave Basic Skills Strategy. Alison has recently been appointed to the Wales Employment and Skills Board, which has been set up to provide high-quality advice and support to the Welsh Assembly Government on skills and employment issues.

Danny Saunders

Danny Saunders graduated in psychology from the University College of North Wales Bangor in 1975 and then went to the University of Exeter where he completed an MSc by research (on the Psychology of Gambling). He joined the Polytechnic of Wales in 1978 as a lecturer, and after many years of teaching and research he then gained a PhD as well as the Postgraduate Certificate in Teaching and Learning. He is a Chartered Psychologist and a Fellow of the Higher Education Academy (HEA).

Danny is now the Professor and Head of the Centre for Lifelong Learning at the University of Glamorgan. His work involves implementation of the University's widening access strategy, and facilitating collaborative partnerships. This includes supporting EU and Communities First projects, the HEFCW-funded Reaching Wider *First Campus* consortium, the University of the Heads of the Valleys (involving the Universities of Glamorgan and Newport), and developing research and consultancy initiatives linked to lifelong learning.

He has worked with the HE funding councils through the UK wide CTi and review, helped to establish the HEA subject centres throughout the UK, and is the current chair of the HEA ESCALATE advisory group for Education. Danny is also a member of the Ministerial Advisory Group for DCELLS, and of the Wales Employment and Skills Board.

In addition to various journal articles, co-authored or edited works include *Key Concepts in Communication and Cultural Studies* (Routledge), *The Complete Student Handbook* (Blackwell), *Simulations and Games for Transition and Change* (Kogan Page) and *Learning Transformations* (Face 2004). His latest publication is *The Learning Coaches of Wales* (Welsh Assembly Government - in press).

Special interests:

- Teaching innovation which leads to deeper learning
- Simulation and game design
- Mentoring, coaching and student tutoring
- Partnership working and community consortia
- Compacts with primary and secondary schools
- Community consortia
- Later learning

Leisure interests include:

- Trying to play golf (handicap 18.2)
- Squash (knees permitting)
- Reading the works of Charles Dickens!

Roger Thomas

Roger Thomas OBE is Chair of the Higher Education Funding Council for Wales (HEFCW). He took up this new role on 5 May 2008.

Mr Roger Thomas OBE, CCMI, FRSA, OStJ was chairman of governors and pro-chancellor of University of Glamorgan and Chairman of Chairs of Higher Education Wales. In the latter capacity he was a member of the chairmen's group of Committee of University Chairmen (CUC) and also Member of board of Universities and Colleges Employers Association (UCEA);) and the Joint Negotiating Committee for Higher Education Staff. Outside higher education, Roger is deputy chairman of Business in Focus Ltd. (enterprise agency) and Techniquet (science centre), a director of Welsh National Opera, a member of CBI Wales Council and judge of the Provincial Court of Church in Wales. He was formerly senior partner at Eversheds solicitors Cardiff, vice president of National Museums and Galleries of Wales, Business Partnership Adviser to the National Assembly and a member of the Council of Cardiff University.

Declared personal interests:

Director, Business in Focus Ltd.

Director, Cardiff and Vale Enterprise International Ltd.

Member of Council, Techniquet

Director, Welsh National Opera Ltd.

Member, Welsh Council of CBI

Judge of the Provincial Court, Church in Wales

Member of Steering Group for Governing Bodies and Equality Project,

Equality Challenge Unit

Member of CELLS MAG

Professor Robin Williams

Professor Robin Williams, CBE, FRS holds the position of Emeritus Professor at the Multidisciplinary Nanotechnology Centre, School of Engineering, Swansea University.

A Fellow of the Royal Society, he has been heavily involved in linking higher education with the development of the Welsh economy. Professor Williams worked closely with the former Welsh Development Agency in establishing routes for the economy to benefit from both research and teaching, for example via the Technium network. Professor Robin Williams has published over 300 papers and books in the field of solid state electronic devices, and much of his research was supported by industry.

In 1994 Professor Williams was appointed Vice Chancellor and Principal of the University of Wales at Swansea, a post he held for nine years. Prior to this, he spent ten years as the Head of Physics and Astronomy at the University of Wales, Cardiff. He was also a member of the Welsh European Funding Office sitting on various task groups, and the Objective One Program Monitoring Committee. He also spent periods at Xerox and IBM in the USA. He was also a lecturer, reader and then Professor of Physics at the then New University of Ulster from 1968-83.

Professor Williams is currently a member of the Ministerial Advisory Group for the Department of Economy and Transport.

Terms of Reference for the Review of Higher Education in Wales

Context:

A Task and Finish Group will be established to conduct a two-stage review of higher education in Wales.

The first stage of the review, to conclude by the end of September 2008, will consider student finance arrangements in Wales: the extent to which student finance is targeted to enhance widening access opportunities and encourage take up of priority subjects; how best to tackle graduate debt in anticipation of the 2009 fee cap review in England; and how this is best achieved through national statutory student finance and locally delivered bursaries, scholarships etc.

The second component will focus on reviewing the mission, purpose, role and funding for higher education in Wales taking account of the vision set in *Reaching Higher and Skills that Work for Wales*; ongoing work in England and Scotland and analysis of both current and predicted future economic, social and learner need. This component should complete by the end of February 2009.

Rationale:

Reaching Higher is the Welsh Assembly Government's strategy for a competitive, robust and sustainable higher education sector in Wales. It set out a vision for an inclusive and world-renowned sector and the steps that need to be taken to achieve it, charting a clear course for Government, the Higher Education Funding Council for Wales and the Welsh higher education sector to 2010.

Since its publication in 2002, there have been a number of significant strategic developments including *One Wales*, *Making the Connections*, *The Learning Country 2 Vision into Action*, *Science Strategy*, and *Wales a Vibrant Economy*. With the recent publication of the Webb Review report *Promise and Performance*, the Gibson Review report *The Independent Review of Commercialisation in Wales*, and the *Skills That Work for Wales Strategy* proposals, it is an opportune time to refresh the strategy in light of these new agendas and ensure responsiveness to the many challenges and opportunities faced by higher education.

Remit:

The task and finish group will review the Assembly Government's policies for higher education with a view to advising the Government on a new vision and strategy which will enable higher education provision in Wales-including its research base- to meet the needs of a modern knowledge based, globally competitive economy and inclusive society. Within this context, the task and

finish group will consider opportunities for increasing responsiveness to identified need, assess the potential for new forms of delivery and evaluate the capability whereby research, knowledge development and transfer can contribute to the economic and social advancement of Wales.

Common issues to Phase 1 and 2.

In both phases of the Review, the Group will focus on providing a framework that will ensure that:

- the learner has the widest possible range of opportunities to access higher education across Wales including the further development of innovative approaches to access, accreditation of prior learning and exploration of the potential for the delivery and assessment of higher education in the workplace;
- all learners pursuing higher education provision in Wales, and Welsh domiciled students who choose to study elsewhere in the UK, can access programmes and develop skills which assist and enhance career and employment potential, focusing on Wales's skills needs and on employment outcomes; and
- the sector is able to contribute to, and take a leading part in, the development and delivery of Welsh medium and bilingual learning opportunities, and provision of Welsh language skills.

In Phase 1, the Group's advice will particularly need to take account of:

- the implications arising out of the Rees and Graham Reviews;
- the extent to which 'student finance' is targeted to enhance widening access opportunities. ('Student finance' in the review should be considered in respect of both statutory student finance, delivered through 'Student Finance Wales' and discretionary support available to students from other sources, such as Higher Education Institutions and Local Authorities);
- the extent to which student finance encourages take up of priority subjects, and how these should be defined;
- the need to identify options to help address graduate debt;
- the need to evaluate recommendations against budgetary and financial considerations; and
- the need to ensure that this phase of the review concludes by the end of September 2008 in order to influence statutory student finance arrangements for the first cohort of students from academic year 2010/11.

In Phase 2, the Group's advice will need to take account of:

- Welsh Assembly Government's overall priorities set out in *One Wales* and other key strategies such as *Making the Connections*, *Science Strategy* and *Wales a Vibrant Economy* and particularly the *Skills That Work for Wales Strategy and Action Plan* to be published in July 2008;
- implications arising out of previous relevant independent reviews such as The Webb Report, The Gibson Review and the Rees and Graham Reviews; and
- comparability with emerging higher education policy developments in the other home countries, Europe and globally.

In particular, in phase 2, the group will focus on providing a framework which will ensure that:

- Higher Education in Wales is directed, supported and positioned in such a way as to be able to focus on excellence, competitiveness and efficiency within both UK and global markets;
- Higher Education in Wales is responsive to the current and likely future demands and needs of learners, the economy and society;
- partnership and collaboration between higher education institutions, other providers such as the further education sector and with key international, national and regional stakeholders, such as employers, is encouraged and becomes an intrinsic element of higher education provision in Wales;
- the research base of higher education in Wales is particularly able to contribute to economic and social advancement in a way responsive to business needs, and to make the greatest possible contribution to the economy and society through fundamental research, knowledge development and transfer, including the commercialisation of research;
- consideration is given to evaluating the extent to which provision is responsive to employer and employment needs of Wales and the delivery of national provision in key subject areas;
- recommendations are provided for a reduced number of more outcome focussed targets for higher education for the next 5 years;
- higher education is supported in continuing to develop its contribution to the cultural life of Wales and the United Kingdom;
- the funding framework for higher education in Wales reflects the contribution of students, Higher Education Institutions (HEIs), employers, EU funding streams and Welsh Assembly Government.

Equality

The Task and Finish Group will need to be mindful of the key principles of equality of opportunity, and the Assembly Government's policies on race equality, disability and promoting bilingualism; sustainable development; and social justice.

Evidence, Reporting and Support.

The Task and Finish Group will seek input from both the CELLS Ministerial Advisory Group, and the Wales Employment and Skills Board at appropriate stages in its review and will seek comments on draft reports from both groups. It will also seek evidence from external stakeholders and experts and will particularly source evidence, views and opinions from officers and members of the Higher Education Funding Council for Wales.

The business of the Task and Finish Group will be set up where possible to work around members' other commitments.

The Chair is asked to produce two reports to reflect the two components of the Group's work. The first report on the questions around the reform of student finance arrangements will be produced at the end of September 2008. The second Report will focus on reviewing the mission, purpose and funding for Higher Education in Wales and will be produced at the end of February 2009. Both reports will be presented to the Minister for Children, Education, Lifelong Learning and Skills.

The Group will be assisted by a dedicated team of Welsh Assembly Government officials. The facility is available to commission independent research should that be required.

Meetings of the Task and Finish Group

At its first meeting on 29 July, the Task and Finish Group focused on the first phase of the Review, looking at finance arrangements for students who normally live in Wales. After considering the development of the existing system, the current 'Student Finance Wales' provision, and recent developments in England, the Group decided on an approach for their review.

The group members agreed that any student finance system would need to:

- be considered against the strategic priorities (for example, widening access) outlined in Assembly Government strategies and relevant independent reviews. Establishing how effective student finance was, and could be, in contributing to these priorities would be critical;
- be mindful of different entry routes to study and different modes of study;
- reduce complexity for students and recommend a transparent and sustainable system;
- be alert to the “England and Wales” nature of the HE marketplace and the importance of English students to the Welsh HE sector.

At the 5 August meeting it was agreed that the most useful starting point for discussion would be to examine a greater use of targeting student finance where it is agreed the benefits would be greatest in terms of:

- reducing the cost and debt associated with higher education, for those students and households who will benefit most (i.e. for students from lower income households);
- achievement of Assembly Government strategic objectives;
- a simpler system– both in terms of administration and in terms of access for students and their families;
- potential to release money from direct student finance into wider HE sector funding.

The group identified key issues including:

- the need to agree what constitutes making the HE sector “of value”
- the need to distinguish between issues and implications surrounding “tuition fees” and “maintenance” and not focus on the former element at the expense of the latter. The tuition fee contribution is effectively a graduate contribution because of the deferred payment arrangement and takes into account the economic return to the graduate (it was agreed that this is not spelt out clearly enough to students); the maintenance costs, however, more directly concern the support of the student while studying and

is where students from a lower household income are at most disadvantage.

- the evidence suggesting that prospective students from poorer backgrounds are more debt averse, and more likely to be put off entering higher education by the prospect of accumulating debt.
- the need to ensure we do not provide an HE sector in Wales which is low cost to the student, but also low quality, as a result of diverting resources from the sector directly to the student;
- this is an exercise partly intended to release funding for investment in the HE sector. The existing premise is that the overall HE budget is not going to grow. However, the advice needs to make clear the scale of need for investment in HE, the consequence of not doing so, and the need for additional investment at such time as resources become available.

The Review of Higher Education in Wales Task and Finish Group held its third meeting on Thursday 4 September 2008.

The group was reminded of the economic and political context of the review. It was provided with detailed financial information on various broad options for student finance for new students from academic year 2010/11. The options were based on those requested by the group at its last meeting.

Discussion of the models included consideration of Welsh Assembly budgets and financial projections, implications for students, business and for the HE sector. Suggestions were made about how elements of these basic models could be adapted and enhanced to ensure that the emerging recommendations fully met the group's terms of reference for the first phase of the Review. Further information was requested to inform the key points of interest.

The Review of Higher Education in Wales Task and Finish Group held its fourth meeting on Friday 19 September 2008.

A presentation was made to the Group outlining some potential options for providing extra assistance with student debt and members reflected on these in the light of the Welsh Assembly Government's *One Wales* commitment to provide such assistance.

The Group also considered other commissioned papers provided to the meeting including statistical and other information papers, revised scenarios for reforming student finance requested at the previous meeting, and evaluation tools for testing the scenarios under consideration. The latter tested scenarios against strategic policy objectives, against the interests of relevant stakeholders and against student case studies.

The Group looked at emerging recommendations and tested them against the Terms of Reference for Phase 1 of the Review.

The Task and Finish Group held its fifth meeting on Friday 26 September to discuss with the Chair the draft report for Phase 1.

Definition of Funding Types

The framework for public expenditure is divided between

- Departmental Expenditure Limit (DEL) spending, which is planned and controlled on a three year basis in Spending Reviews; and
- Annually Managed Expenditure (AME), which is expenditure which cannot reasonably be subject to firm, multi-year limits in the same way as DEL. AME includes social security benefits, local authority self-financed expenditure, debt interest, and payments to EU institutions.

More information about DEL and AME is set out below.

Departmental Expenditure Limits (DEL)

DEL is defined as the total budget limit for the Welsh Assembly Government set by the HM Treasury. DEL is planned and controlled on a three year basis in Spending Reviews. The DEL includes a figure for capital and a figure for the resource budget which includes a figure for cash and non cash.

DEL Cash

Cash derived from the Assembly's Departmental Expenditure Limit.

DEL Non cash

Accruals measure included in budgets to ensure they reflect the full economic cost of activities even though there is not a direct link to cash flows in the relevant period for example, cost of capital and depreciation on assets. Non-cash cannot be used to fund cash spending. (However, if there is insufficient non-cash, cash would need to be used to off set the difference).

RAB Charge

Definition of the RAB Charge – this is a percentage charge used to reflect the full costs to Government of providing student loans. It is made up of two elements, the interest subsidy provision and the write off provision:

- The interest subsidy provision estimates the costs to Government of subsidising the loans as students pay back at a low rate equivalent to inflation (RPI).
- The write off provision estimates the amount of loans which will be written off due to factors such as death, disability, or not earning over the repayment threshold during the term of the loan.

Accounting for the RAB charge

In simple terms the RAB charge is an accounting adjustment (similar to a bad debt provision) - as such the budget within the Assembly for the charge is classified as non cash - i.e. it does not count as expenditure within the Welsh Assembly Government allocation from Westminster.

However, Government Accounting rules state that in the event of a non cash budget overspending then cash has to be used to make up for any shortfall - in this case cash would have to re-allocated from within DCELLS budgets.

Annually Managed Expenditure (AME)

AME is provided by HM Treasury and typically consists of programmes which are large, volatile and demand-led, and which therefore cannot reasonably be subject to firm multi-year limits. The biggest single element is social security spending. Other programmes which are funded through AME are tax credits, Local Authority Self Financed Expenditure and student finance.

AME is reviewed twice a year as part of the Budget and Pre-Budget Report process .

AME is not subject to the same three year expenditure limits as DEL, but is still part of the overall envelope for public expenditure. Given an overall envelope for public spending, forecasts of AME affect the level of resources available for DEL spending. Cautious estimates and the AME margin are built in to these AME forecasts and reduce the risk of overspending on AME.

HM Treasury meet overspends on an annual basis; underspends and any receipts are returned to HM Treasury. Any unspent provision is not eligible for carry-forward to the following year, nor can it be recycled from one AME programme to another or transferred to increase the Welsh Assembly Government's Departmental Expenditure Limit (DEL).

Total Managed Expenditure (TME)

Total Managed Expenditure is defined as the sum of the Departmental Expenditure Limit and the Annually Managed Expenditure.

Main Expenditure Group (MEG)

The Assembly Government DEL is divided into a number of Main Expenditure Groups (MEG). There are currently 9 MEGs: Health and Social Services; Social Justice and Local Government; Economy and Transport; Environment, Sustainability and Housing; Rural Affairs; Heritage; Children, Education, Lifelong Learning and Skills; Public Services and Performance; and Central Services and Administration.

End Year Flexibility (EYF)

End Year Flexibility is a mechanism whereby Departments may carry forward unspent Departmental Expenditure Limit (DEL) provision into later financial years. There is no limit on the amount of unspent DEL that may be carried forward as EYF. Along with other flexibilities, EYF allows Departments to manage their DEL effectively across a number of years. However, the HM Treasury does control Departmental access to EYF.

The Welsh Assembly Government's non cash EYF stock is currently £311m.

EYF is not a recurring resource, so once any EYF non cash is used the amount of EYF stock is reduced.

There is no automatic entitlement to any MEG under spends. There is a process for accessing EYF which involves approval from the Minister for Finance and Public Service Delivery and Cabinet agreement based on Welsh Assembly Government-wide priorities and pressures.

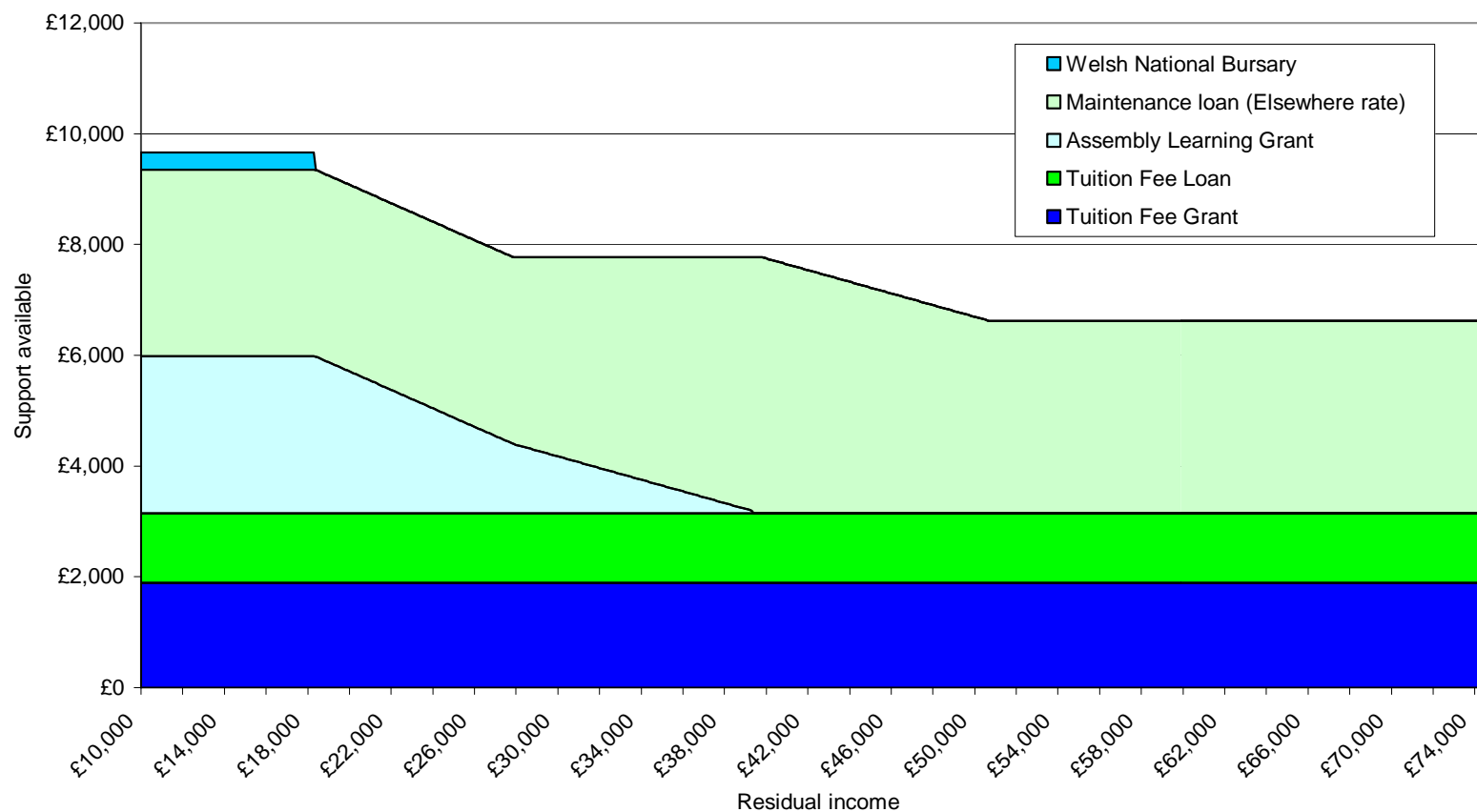
Eligibility table and graphs illustrating current statutory student finance arrangements, indicating entitlement by household income, for full-time undergraduate students normally living in Wales studying at Welsh HEIs (not living at home) and entering HE in AY 2008/09

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£18,370	£1,890	£1,255	Full £2,835 grant	(b)
£18,371 - £39,299	£1,890	£1,255	Partial grant (a)	(b)
£39,300	£1,890	£1,255	£50	(b)
£39,301	£1,890	£1,255	£0	Full loan
£49,000 (c)	£1,890	£1,255	£0	75% of full loan

- (a) For income between £18,370 and £27,850, the Assembly Learning Grant is reduced by £1 for every complete £6 by which income exceeds £18,370. For income between £27,850 and £39,299 the Assembly Learning Grant is reduced by £1 for every complete £9.50 by which income exceeds £27,850. A student whose income is £39,300 will be eligible for the minimum Assembly Learning Grant of £50.
- (b) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £1,255.
- (c) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of Maintenance Loan for which they are eligible. Figure shown based on average.

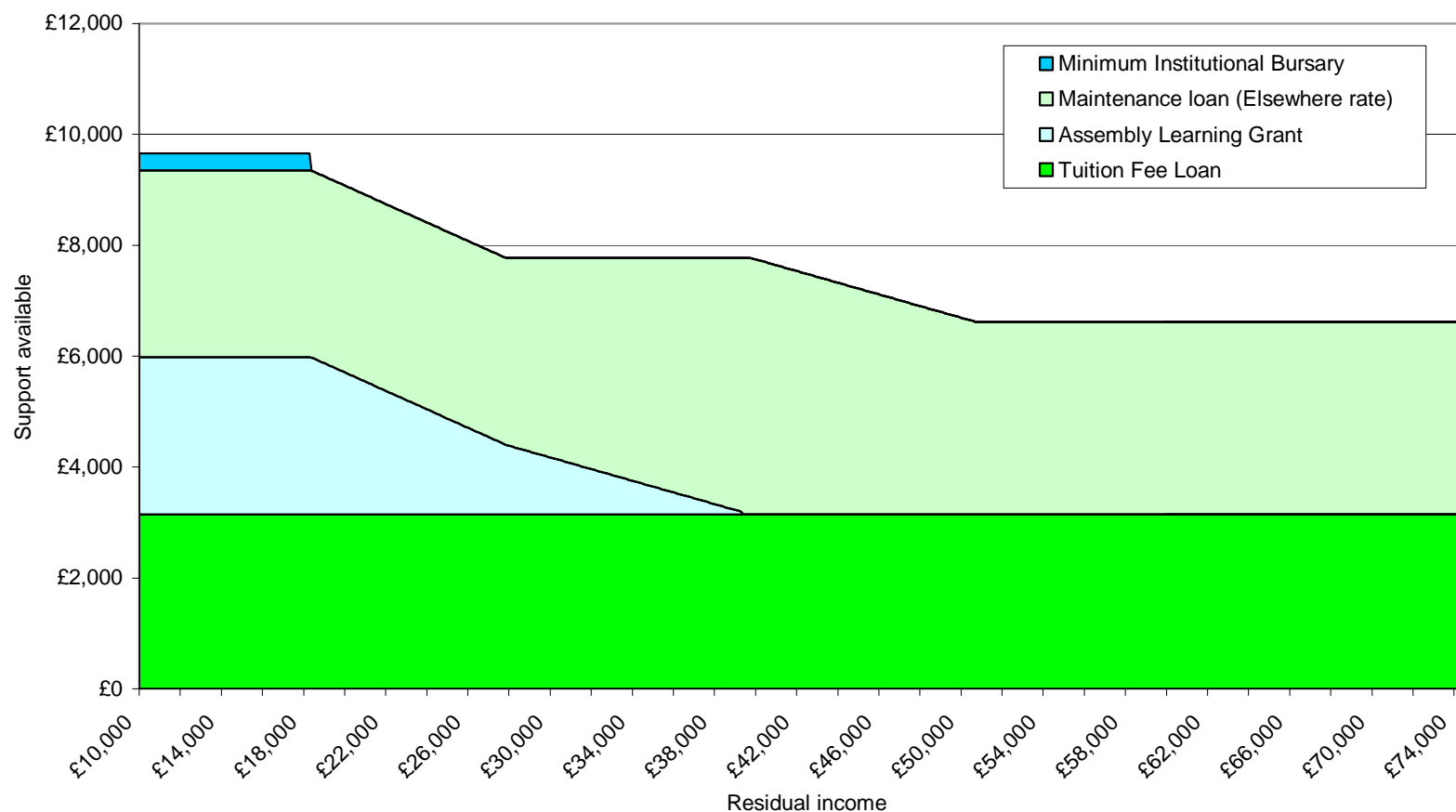
Students normally living in Wales but studying in England are not eligible for the Tuition Fee Grant; instead they are eligible for a Tuition Fee Loan of up to £3,145 a year.

**Support entitlement for Welsh domiciled students studying in Wales who entered HE
from 2006/07, academic year 2008/09¹**



¹ Excludes institutional bursaries and other targeted support.

**Support entitlement for Welsh domiciled students studying in England who entered HE
from 2006/07, academic year 2008/09¹**



¹ Excludes additional institutional bursaries and other targeted support.

Matrix summarising key features of the current student finance arrangements of each of the four UK countries

Cross Border Full time support for 2008/09		Studying In			
		England	Wales	Scotland	Northern Ireland
Domiciled In	England	Fee loan – to meet full costs of variable fees – up to £3,145 Maintenance loan – 3 rates depending on where they are studying; at home, up to £3,580; away from home, up to £4,625; away from home London rate, up to £6,478 (25% of which subject to means-test. Different loan rates apply to final year students) Maintenance grant - up to £2,835. Full amount available to those with household incomes up to £25,000, partial grants up to household income of £60,005.	We will pay the same package of grants and loans as for English student studying in England	We will pay the same package of grants and loans as for English student studying in England The fee levels at Scottish HEIs for degree courses are £1,700 with the exception of medical courses which are £2,700. Fees may be deferred by taking out a non-means tested loan for fees.	We will pay the same package of grants and loans as for English student studying in England Northern Irish HEIs will charge variable fees of up to £3,145 in the same way as English Students studying in England. Fees may be deferred by taking out a non-means tested loan for fees.
	Wales	Variable fee rate up to a maximum of £3,145. Fees may be deferred by taking out a non-means tested loan for fees. Living costs support as for Welsh students studying in Wales (Maintenance loan and Assembly Learning Grant)	Fee grant – non means-tested grant of £1,890 available towards variable fees of up to £3,145 Fee loan – remaining fee can be deferred by taking out a non-means tested loan for fees. Maintenance loan – 3 rates depending on whether they are studying; at home, up to £3,580; away from home, up to £4,625; or away from home in London, up to £6,480. Assembly Learning Grant – up to £2,835 for students from low incomes. Full amount available to those with household income of £18,370, partial grants up to household income of £39,300	The fee levels at Scottish HEIs for degree courses are £1,700 with the exception of medical courses which are £2,700. Fees may be deferred by taking out a non-means tested loan for fees. Living costs support as for Welsh students studying in Wales (Maintenance loan and Assembly Learning Grant)	Northern Irish HEIs will charge variable fees of up to £3,145. Fees may be deferred by taking out a non-means tested loan for fees. Living costs support as for Welsh students studying in Wales (Maintenance loan and Assembly Learning Grant)
	Scotland	Variable fee rate as for English students studying in England. Fee may be deferred by taking out a non-means tested loan for fees. Maintenance loan as for Scottish students studying in Scotland Students' Outside Scotland Bursary – for young & mature students studying elsewhere in UK – up to £2,095. Full amount if family income is up to £18,820, with partial bursary up to family income of £33,330.	Variable fee rate as for Welsh students studying in Wales. Fee may be deferred by taking out a non-means tested loan for fees. Maintenance loan as for Scottish students studying in Scotland Students' Outside Scotland Bursary – for young & mature students studying elsewhere in UK – up to £2,095. Full amount if family income is up to £18,820, with partial bursary up to family income of £33,330.	No charge for fees to student. Fees will be paid by SAAS. Maintenance loan – 3 rates depending on whether they are studying at home (up to £3,570), away from home (up to £4,510), or in London (up to 5,565). An additional loan of up to £590 is available to young students if family income is below £21,210. Young Students Bursary – up to £2,575 for students from low incomes. Full amount if family income is up to £18,820, with partial bursary up to family income of £33,330.	Variable fee rate as for Northern Ireland students studying in Northern Ireland. Fee may be deferred by taking out a non-means tested loan for fees. Maintenance loan as for Scottish students studying in Scotland Students' Outside Scotland Bursary – for young & mature students studying elsewhere in UK – up to £2,095. Full amount if family income is up to £18,820, with partial bursary up to family income of £33,330.
	Northern Ireland	Fees as for English students in England. Fee may be deferred by taking out a non-means tested loan for fees. Same package of maintenance grant and loans as for NI students studying in NI.	Fees as for English Students studying in Wales. Fee may be deferred by taking out a non-means tested loan for fees. Same package of maintenance grant and loans as for NI students studying in NI.	Fees as for English Students studying in Scotland. Fee may be deferred by taking out a non-means tested loan for fees. Same package of maintenance grant and loans as for NI students studying in NI.	Fee loan – to meet full costs of variable fees – up to £3,145 Maintenance loan – 3 rates depending on where they are studying; at home, up to £3,580; away from home, up to £4,625; away from home London rate, up to £6,475 Maintenance grant - up to £3,335. Full amount available to those with household incomes up to £18,360, partial grants up to household income of £39,305.
	EU	Fees as for English students in England. Fee may be deferred by taking out a non-means tested loan for fees. No maintenance support.	Fee grant – non means-tested grant of £1,890 available towards variable fees of up to £3,145 Fee loan – remaining fee can be deferred by taking out a non-means tested loan for fees. No maintenance support.	Fees as for Scottish students in Scotland. Same fee support as Scottish students studying in Scotland No maintenance support.	Fees as for NI students studying in NI. Fee may be deferred by taking out a non-means tested loan for fees. No maintenance support.

Summary statistical information on the Welsh HE sector and students normally living in Wales

Destinations and outcomes of higher education students

According to the Higher Education Statistics Agency's Destinations of Leavers in Higher Education Survey for AY 2006/07:

- Compared to other UK countries, Wales has a lower 'retention rate' of graduates six months after qualifying, among both those originally living in the country and those graduating in its HEIs.
- However, Wales compares more favourably with English regions. For full-time first degree graduates, in the context of those returning to their original region following graduation, among the English regions only London, the North East and the North West rank higher than Wales;
- 82 per cent of employed Welsh qualifiers and 81 per cent of employed qualifiers from Welsh HEIs were in permanent employment. These figures are similar to those for all UK qualifiers. Of those full-time students normally living in Wales and obtaining a first degree in 2006/07 who were in employment only 6 months later, 69 per cent were employed in Wales.

According to the 2006 Annual Population Survey:

- 87 per cent of working age adults in Wales who were not in full-time education and qualified to at least NVQ level 4 or equivalent (degree level) were in employment in 2006;
- Full-time employees in Wales that held an NVQ level 4 or equivalent earned on average 59 per cent more than non-graduates. For the UK as a whole the gap was estimated at 62 per cent;
- Although the most recent available data shows that 163,100 people with degrees who were born in Wales now live elsewhere in the UK, 153,900 graduates are now resident in Wales who were born elsewhere in the UK.

Widening access

According to the Higher Education Statistics Agency Student Record, in AY 2006/07:

- 30 per cent of young full-time first-degree entrants to Welsh HEIs were from low socio-economic backgrounds (National Statistics Socio-Economic Classification (NS-SEC) classes 4-7) – the same percentage as for such entrants to all UK HEIs;
- The percentage of young, full-time, first-degree students entering HE from state schools or colleges was 93 per cent, higher than the UK average. *(Note: a higher proportion of Welsh school pupils are in the maintained sector);*
- 10 per cent of new entrants in 2005/06 normally lived within the 100 core Welsh Communities First areas. This proportion has changed little over the

last few years. The target in *Reaching Higher* was for this to increase to 11.4 per cent by AY 2010/11;

- In 2006/07, among full-time first-degree entrants to Welsh HEIs, 10 per cent (9 per cent for UK HEIs) of young full-time first-degree entrants and 12.5 per cent (11 per cent for UK HEIs) of mature full-time first degree entrants came from low participation neighbourhoods;
- 55 per cent of full-time undergraduates enrolled at Welsh HEIs in 2006/07 were female, the same percentage as in 2001/02;
- 58 per cent of undergraduates normally living in Wales and studying at UK HEIs were female, compared with 56 per cent five years ago;
- 6 per cent of full-time undergraduate students normally living in the UK and studying at Welsh HEIs are from ethnic minorities, just over a third of whom are Asian. Five years ago around 4 per cent were from ethnic minorities;
- 6 per cent of full-time undergraduate students normally living in Wales and studying in UK HEIs are from ethnic minorities. Five years ago around 4 per cent were from ethnic minorities;
- 5 per cent of full-time first degree students (the highest rate in the UK) and 2 per cent of part-time undergraduate students in Welsh HEIs were in receipt of a disabled students' allowance (DSA);
- 5 per cent of HE students normally living in Wales and enrolled in Welsh HEIs have some teaching through the medium of Welsh. The target in *Reaching Higher* was for this to increase to 7 per cent by AY 2010/11;
- The percentage of first degree entrants to Welsh HEIs in AY 2005/06 who did not continue in HE following their year of entry (i.e. drop-out or non-continuation) was 8 per cent for young entrants and 15 per cent for mature entrants, slightly higher than the UK average.

Student finance for full-time undergraduate students normally living in Wales

According to the Student Loans Company Statistical First Release 'Student Support for Higher Education in Wales, Academic Year 2007/08 (Provisional)':

Fee support

- Provisional 2007/2008 figures as at November 2007, show that 16,100 Tuition Fee Loans were taken out by students normally living in Wales and studying in Wales, entering HE from 2006/07 (with an average loan value of £1,210);
- 8,000 Tuition Fee Loans (at an average of £2,980) were taken out by students normally living in Wales and studying in England and who entered HE from 2006/07;
- By March 2008, 22,670 students normally living in Wales and students normally living in non-UK EU countries, and studying in Wales, had been awarded a Tuition Fee Grant of up to £1,845.

Assembly Learning Grants (ALG)

- As at end November 2007, 30,900 students normally living in Wales entering HE from 2006/07 successfully applied for student support in 2007/08. 34% of successful applications were from students with a residual income of £17,920 or less receiving a full ALG of £2,765, 29% a partial ALG and 38% received no ALG. The distribution of Assembly Learning Grants was similar to 2006/07.

Distribution of Assembly Learning Grants (Maintenance Grants in England) to students entering HE from AY 2006/07, academic year 2006/07

	Students normally living in Wales	Students normally living in England
Full	33.4%	33%
Partial	29.1%	23%
Nil	37.5%	43%
Total	100.0%	100.0%

The table above shows the distribution of Assembly Learning Grants (Maintenance Grants in England) for academic year 2006/07. The thresholds for receiving a full, partial or nil were the same whether students were normally living in Wales or in England:

- Students with a residual household income of £17,500 or less were eligible for a full grant;
- Students with a residual household income of between £17,501 and £37,425 were eligible for a partial grant;
- Students with a residual household income of above £37,425 received no grant.

- The average grant awarded in 2006/07 to Higher Education students was £1,179. The average grant awarded for academic year 2007/08 as at end of November 2007 was £1,274.

Maintenance loans

- For students normally living in Wales who had applied by November 2007 for academic year 2007/08 in 2007/08 the provisional average income contingent maintenance loan was £3,470. The average loan for those who entered from 2006/07 was £3,350, lower than the average for those who entered prior to 2006/07 (£3,690);
- The average maintenance loan for students normally living in Wales in 2006/07 was £3,510, £80 lower than the average for students normally living in England;
- Maintenance loan take-up for students normally living in Wales in 2005/06 was 82.3%, compared to 80% for students normally living in England.

Repayment of student loans

According to the Student Loans Company Statistical First Release 'Student Loans for Higher Education in Wales, Financial Year 2007-08, (Provisional)':¹

- At March 2008 there were 108,800 borrowers in repayment status for income contingent loans. 63,600 borrowers were not in repayment status. In addition, 3,600 had repaid at least one account in full and 300 had their loans written off during the financial year 2007-08.
- At the end of the 2007-08 financial year, the amount outstanding from repayment of loans for students normally living in Wales was £1,320 million, including loans not yet in repayment status. Of this amount, £1,258 million was from income contingent loans.

¹ Note that the figures are affected by the system of collection of repayments by the Inland Revenue, i.e. repayments are notified to the SLC after the end of the tax year, after which time has to be allowed for reconciliation with SLC records.

Student Finance Reform Options – Illustrative Scenarios Considered by the Task and Finish Group: implications for the statutory student finance system for full-time undergraduate students normally living in Wales, studying at Welsh HEIs and entering HE from AY 2010/11 (illustrated in eligibility tables)

Maintaining current student finance arrangements in AY 2010/11 (allowing for inflationary increases)

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£18,866	£1,995	£1,315	Full £2,984 grant	(b)
£18,867 - £40,401	£1,995	£1,315	Partial grant (a)	(b)
£40,402	£1,995	£1,315	£50	(b)
£40,866	£1,995	£1,315	£0	Full loan
£49,924 (c)	£1,995	£1,315	£0	75% of full loan

- (a) For income between £18,667 and £28,600, the Assembly Learning Grant is reduced by £1 for every complete £5.86 by which income exceeds £18,866. For income between £28,601 and £40,402 the Assembly Learning Grant is reduced by £1 for every complete £9.27 by which income exceeds £28,600. A student whose income is £40,402 will be eligible for the minimum Assembly Learning Grant of £50.
- (b) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £1,323.
- (c) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of Maintenance Loan for which they are eligible. Figure shown based on average.

Scenario 1a – phasing out of the Tuition Fee Grant from AY 2010/11 and increasing the level of Assembly Learning Grant (with approximately 50% of resources released)

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£18,866	£0	£3,310	Full £4,800 grant	(b)
£18,867 - £40,401	£0	£3,310	Partial grant (a)	(b)
£40,402	£0	£3,310	£50	(b)
£40,866	£0	£3,310	£0	Full loan
£49,924 (c)	£0	£3,310	£0	75% of full loan

- (a) For income between £18,667 and £28,600, the Assembly Learning Grant is reduced by £1 for every complete £3.69 by which income exceeds £18,866. For income between £28,601 and £40,402 the Assembly Learning Grant is reduced by £1 for every complete £5.59 by which income exceeds £28,600. A student whose income is £40,402 will be eligible for the minimum Assembly Learning Grant of £50.
- (b) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £2,160.
- (c) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of loan for which they are eligible. Figure shown based on average.

Scenario 1b – phasing out of the Tuition Fee Grant from AY 2010/11 and increasing the level of Assembly Learning Grant (with approximately 40% of resources released)

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£18,866	£0	£3,310	Full £4,400 grant	(b)
£18,867 - £40,401	£0	£3,310	Partial grant (a)	(b)
£40,402	£0	£3,310	£50	(b)
£40,866	£0	£3,310	£0	Full loan
£49,924 (b)	£0	£3,310	£0	75% of full loan

- (a) For income between £18,667 and £28,600, the Assembly Learning Grant is reduced by £1 for every complete £4.02 by which income exceeds £18,866. For income between £28,601 and £40,402 the Assembly Learning Grant is reduced by £1 for every complete £6.12 by which income exceeds £28,600. A student whose income is £40,402 will be eligible for the minimum Assembly Learning Grant of £50.
- (b) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £1,980.
- (c) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of loan for which they are eligible. Figure shown based on average.

Scenario 2a – means-testing the Tuition Fee Grant and increasing the level of Assembly Learning Grant (with approximately 50% of resources released)

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£18,866	£1,995	£1,315	Full £4,000 grant	(d)
£18,867 - £40,401	Partial grant (a)	Partial loan (b)	Partial grant (c)	(d)
£40,402	£50	£3,260	£50	(d)
£40,866	£0	£3,310	£0	Full loan
£49,924 (e)	£0	£3,310	£0	75% of full loan

- (a) For income between £18,867 and £40,402 the Tuition Fee Grant is reduced by £1 for every £11.07 by which income exceeds £18,866.
- (b) For income between £18,867 and £40,402 the Tuition Fee Loan is reduced by £1 for every £1 of Tuition Fee Grant for which the student is eligible.
- (c) For income between £18,867 and £28,600, the Assembly Learning Grant is reduced by £1 for every complete £4.42 by which income exceeds £18,866. For income between £28,601 and £40,402 the Assembly Learning Grant is reduced by £1 for every complete £6.74 by which income exceeds £28,600. A student whose income is £40,402 will be eligible for the minimum Assembly Learning Grant of £50.
- (d) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £1,800.
- (e) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of loan for which they are eligible. Figure shown based on average.

Scenario 2a – means-testing the Tuition Fee Grant and increasing the level of Assembly Learning Grant (with approximately 40% of resources released)

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£18,866	£1,995	£1,315	Full £3,800 grant	(d)
£18,867 - £40,401	Partial grant (a)	Partial loan (b)	Partial grant (c)	(d)
£40,402	£50	£3,260	£50	(d)
£40,866	£0	£3,310	£0	Full loan
£49,924 (e)	£0	£3,310	£0	75% of full loan

- (a) For income between £18,867 and £40,402 the Tuition Fee Grant is reduced by £1 for every £11.07 by which income exceeds £18,866.
- (b) For income between £18,867 and £40,402 the Tuition Fee Loan is reduced by £1 for every £1 of Tuition Fee Grant for which the student is eligible.
- (c) For income between £18,867 and £28,600, the Assembly Learning Grant is reduced by £1 for every complete £4.66 by which income exceeds £18,866. For income between £28,601 and £40,402 the Assembly Learning Grant is reduced by £1 for every complete £7.11 by which income exceeds £28,600. A student whose income is £40,402 will be eligible for the minimum Assembly Learning Grant of £50.
- (d) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £1,710.
- (e) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of loan for which they are eligible. Figure shown based on average.

Scenario 3 – phasing out of Tuition Fee Grant and increasing Assembly Learning Grant income thresholds in line with English model

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£25,675	£0	£3,310	Full £2,984 grant	(b)
£25,676 - £61,619	£0	£3,310	Partial grant (a)	(b)
£61,620	£0	£3,310	£50	(b)
£62,651	£0	£3,310	£0	Full loan
£73,395 (c)	£0	£3,310	£0	75% of full loan

- (a) For income between £25,675 and £35,409, the Assembly Learning Grant is reduced by £1 for every complete £5.86 by which income exceeds £18,866. For income between £35,410 and £61,620 the Assembly Learning Grant is reduced by £1 for every complete £9.27 by which income exceeds £35,409. A student whose income is £61,621 will be eligible for the minimum Assembly Learning Grant of £50.
- (b) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £1,323.
- (c) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of loan for which they are eligible. Figure shown based on average.

Scenario 3b – phasing out of Tuition Fee Grant and increasing Assembly Learning Grant (ALG) income thresholds in line with English model, but ensuring that approximately one-third of students normally living in Wales receive full ALG, approximately one-third receive partial ALG, and approximately one-third receive no ALG

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£20,000	£0	£3,310	Full £2,984 grant	(b)
£20,001 - £50,000	£0	£3,310	Partial grant (a)	(b)
£50,000	£0	£3,310	£50	(b)
£50,796	£0	£3,310	£0	Full loan
£61,541 (c)	£0	£3,310	£0	75% of full loan

- (a) For income between £20,000 and £29,734, the Assembly Learning Grant is reduced by £1 for every complete £5.86 by which income exceeds £20,000. For income between £29,735 and £50,000 the Assembly Learning Grant is reduced by £1 for every complete £15.92 by which income exceeds £29,734. A student whose income is £50,000 will be eligible for the minimum Assembly Learning Grant of £50.
- (b) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £1,323.
- (c) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of loan for which they are eligible. Figure shown based on average.

Scenario 4a – cost of a lower flat rate Tuition Fee Grant of £500 and increasing the level of Assembly Learning Grant (with approximately 50% of resources released)

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£18,866	£500	£2,810	Full £4,400 grant	(b)
£18,867 - £40,401	£500	£2,810	Partial grant (a)	(b)
£40,402	£500	£2,810	£50	(b)
£40,866	£500	£2,810	£0	Full loan
£49,924 (c)	£500	£2,810	£0	75% of full loan

- (a) For income between £18,667 and £28,600, the Assembly Learning Grant is reduced by £1 for every complete £4.02 by which income exceeds £18,866. For income between £28,601 and £40,402 the Assembly Learning Grant is reduced by £1 for every complete £6.12 by which income exceeds £28,600. A student whose income is £40,402 will be eligible for the minimum Assembly Learning Grant of £50.
- (b) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £1,980.
- (c) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of loan for which they are eligible. Figure shown based on average.

Scenario 4a – cost of a lower flat rate Tuition Fee Grant of £500 and increasing the level of Assembly Learning Grant (with approximately 50% of resources released)

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£18,866	£500	£2,810	Full £4,100 grant	(b)
£18,867 - £40,401	£500	£2,810	Partial grant (a)	(b)
£40,402	£500	£2,810	£50	(b)
£40,866	£500	£2,810	£0	Full loan
£49,924 (c)	£500	£2,810	£0	75% of full loan

- (a) For income between £18,667 and £28,600, the Assembly Learning Grant is reduced by £1 for every complete £4.32 by which income exceeds £18,866. For income between £28,601 and £40,402 the Assembly Learning Grant is reduced by £1 for every complete £6.57 by which income exceeds £28,600. A student whose income is £40,402 will be eligible for the minimum Assembly Learning Grant of £50.
- (b) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £1,845.
- (c) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of loan for which they are eligible. Figure shown based on average.

Scenario 5a – phasing out of the Tuition Fee Grant from AY 2010/11 and increasing the non-statutory student finance available via bursaries and scholarships for those studying at Welsh HEIs (with approximately 50% of resources released)

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£18,866	£0	£3,310	Full £2,984 grant	(b)
£18,867 - £40,402	£0	£3,310	Partial grant (a)	(b)
£40,402	£0	£3,310	£50	(b)
£40,866	£0	£3,310	£0	Full loan
£49,924 (c)	£0	£3,310	£0	75% of full loan

- (a) For income between £18,666 and £28,600, the Assembly Learning Grant is reduced by £1 for every complete £5.86 by which income exceeds £18,866. For income between £28,601 and £40,402 the Assembly Learning Grant is reduced by £1 for every complete £9.27 by which income exceeds £28,600. A student whose income is £40,402 will be eligible for the minimum Assembly Learning Grant of £50.
- (b) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £1,323.
- (c) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of loan for which they are eligible. Figure shown based on average.

Scenario 5b – phasing out of the Tuition Fee Grant from AY 2010/11 and increasing both the level of Assembly Learning Grant (with approximately 25% of resources released) and the non-statutory student finance available via bursaries and scholarships for those studying at Welsh HEIs (with approximately 25% of resources released)

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£18,866	£0	£3,310	Full £3,800 grant	(b)
£18,867 - £40,402	£0	£3,310	Partial grant (a)	(b)
£40,402	£0	£3,310	£50	(b)
£40,866	£0	£3,310	£0	Full loan
£49,924 (c)	£0	£3,310	£0	75% of full loan

- (a) For income between £18,666 and £28,600, the Assembly Learning Grant is reduced by £1 for every complete £4.66 by which income exceeds £18,866. For income between £28,601 and £40,402 the Assembly Learning Grant is reduced by £1 for every complete £7.11 by which income exceeds £28,600. A student whose income is £40,402 will be eligible for the minimum Assembly Learning Grant of £50.
- (b) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £1,710.
- (c) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of loan for which they are eligible for. Figure shown based on average.

Scenario 6a – phasing out of Tuition Fee Grant and increasing the level of Assembly Learning Grant (ALG) to offer a maximum ALG of £6,000 in line with current eligibility thresholds (allowing for inflationary increases)

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£18,866	£0	£3,310	Full £6,000 grant	(b)
£18,867 - £40,401	£0	£3,310	Partial grant (a)	(b)
£40,402	£0	£3,310	£50	(b)
£40,866	£0	£3,310	£0	Full loan
£49,924 (c)	£0	£3,310	£0	75% of full loan

- (a) For income between £18,666 and £28,600, the Assembly Learning Grant is reduced by £1 for every complete £2.95 by which income exceeds £18,866. For income between £28,601 and £40,402 the Assembly Learning Grant is reduced by £1 for every complete £4.45 by which income exceeds £28,600. A student whose income is £40,402 will be eligible for the minimum grant of £50.
- (b) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £3,300.
- (c) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of loan for which they are eligible. Figure shown based on average.

Scenario 6b – phasing out of Tuition Fee Grant and increasing the level of Assembly Learning Grant (ALG) to offer a maximum ALG of £6,000, lowering income thresholds for ALG

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£12,000	£0	£3,310	Full £6,000 grant	(b)
£12,001 - £33,535	£0	£3,310	Partial grant (a)	(b)
£33,536	£0	£3,310	£50	(b)
£33,759	£0	£3,310	£0	Full loan
£44,503 (c)	£0	£3,310	£0	75% of full loan

- (a) For income between £12,000 and £21,734, the Assembly Learning Grant is reduced by £1 for every complete £2.95 by which income exceeds £12,000. For income between £21,735 and £33,536 the Assembly Learning Grant is reduced by £1 for every complete £4.45 by which income exceeds £21,734. A student whose income is £33,536 will be eligible for the minimum grant of £50.
- (b) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £2,700.
- (c) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of loan for which they are eligible. Figure shown based on average.

Scenario 6c – phasing out of Tuition Fee Grant and increasing the level of Assembly Learning Grant (ALG) to offer a maximum ALG of £5,000 in line with current income thresholds (allowing for inflationary increases)

Household income	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant	Maintenance Loan
£18,866	£0	£3,310	Full £5,000 grant	(b)
£18,867 - £40,401	£0	£3,310	Partial grant (a)	(b)
£40,402	£0	£3,310	£50	(b)
£40,866	£0	£3,310	£0	Full loan
£49,924 (c)	£0	£3,310	£0	75% of full loan

- (a) For income between £18,666 and £28,600, the Assembly Learning Grant is reduced by £1 for every complete £3.54 by which income exceeds £18,866. For income between £28,601 and £40,402 the Assembly Learning Grant is reduced by £1 for every complete £5.36 by which income exceeds £28,600. A student whose income is £40,402 will be eligible for the minimum grant of £50.
- (b) Amount of Maintenance Loan for which student is eligible for reduced by £1 for every £1 of Assembly Learning Grant they are eligible for up to a maximum of £2,750.
- (c) Household income at which student will be eligible for 75% of Maintenance Loan will vary depending on the rate of loan for which they are eligible. Figure shown based on average.

Student Finance Reform Options – Illustrative Scenarios Considered: Student Case Studies

The Group felt it vital to examine how the reform of Wales's student finance arrangements for full-time undergraduates would change the system for individual students. To this end, as well as considering the effect of each scenario on students at different levels of residual household income, the National Union of Students Wales designed a series of 'student case studies', which enabled the Group to see the effects of different systems upon individuals.

Please note that as the Group did not wish to consider Scenarios 4a and 4b in more detail, no case study information is provided for these scenarios.

Case study illustrations

Name	Doug	Owain	Amanda	Katherine	Andy	Gemma	John
UK residency status	UK resident	UK resident	UK resident	UK resident	EU resident	UK resident	UK resident
'Normally live' within UK residency status	Lives in Bangor	Lives in Milford Haven	Lives in London	Lives in Newport	Lives in Cork	Lives in Cardiff	Lives in Swansea
Choice of course/ university	History at Bangor	Business Studies at Swansea Met	Architecture at Cardiff	IT at Newport	Divinity at Lampeter	Film Studies at Aberystwyth	Geography at Bristol
Dependent or Independent student (if independent on what basis).	Independent – aged 40 with 2 children	Dependent	Dependent	Independent – aged 27	N/A	Dependent	Dependent
Student's personal income	£4000 through shares and savings interest.	Nil	Nil	No earned income – but claims some benefits.	Nil	Nil	Nil
Household income	Additional £32,000 due to partner's income.	£24,000	£70,000	N/A	Equivalent of £40,000	£38,000	£24,000
Household dependents (other than student)	Student has 2 children	Student has 3 siblings	Student has 1 sibling	None	None	Student has 2 siblings	Student has 3 siblings
Net household income (a)	£33,680	£20,520	£68,840	£0	£40,000	£35,680	£20,520

(a) In determining the household income the sum of £1,160 is deducted for each child wholly or mainly financially dependent on the eligible student or for each child other than the eligible student wholly or mainly financially dependent on the eligible student's parent or the eligible student's parent's partner whose residual income is being taken into account.

Current forecasted eligibility

	Tuition Fee Support		Maintenance Support								
	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant / Maintenance Grant	Maintenance Loan	Total Statutory Maintenance Support (Grant & Loan)	Total Grant Support	Total Loan Support	Total Student Finance Wales Support	Welsh Bursary Scheme	HEI bursary (2008/09 level) (a)	Total bursaries
Doug - lives and studies in Wales. He's an independent student, has 2 children and a net household income of £33,680	£1,995	£1,315	£776	£4,099	£4,875	£2,771	£5,414	£8,185	£0	£1,000	£1,000
Owain - lives and studies in Wales. He's a dependent student where the net household income is £20,520	£1,995	£1,315	£2,702	£3,552	£6,254	£4,697	£4,867	£9,564	£0	£500	£500
Amanda - lives in England and studies in Wales. She's a dependent student where the net household income is £68,840	£0	£3,310	£0	£4,207	£4,207	£0	£7,517	£7,517	£0	£0	£0
Katherine - lives and studies in Wales. She is an independent student with nil assessable income.	£1,995	£1,315	£2,984	£3,552	£6,536	£4,979	£4,867	£9,846	£326	£1,000	£1,326
Andy - is EU resident studying in Wales with an equivalent income of £40,000	£1,995	£1,315	£0	£0	£0	£1,995	£1,315	£3,310	£0	£0	£0
Gemma - lives and studies in Wales. She's a dependent student where the net household income is £35,680	£1,995	£1,315	£560	£4,315	£4,875	£2,555	£5,630	£8,185	£0	£200	£200
John - lives in Wales and studies in England. He's a dependent student where the net household income is £20,520	£0	£3,310	£2,702	£3,552	£6,254	£2,702	£6,862	£9,564	£0	£1,200	£1,200

(a) The HEI bursaries are as for academic year 2008/09 and have been obtained from each institutions website. Bursaries at Bangor University, Cardiff University, University of Wales Newport and Aberystwyth University and University of Bristol are means-tested. Bursaries from University of Wales Lampeter are subject specific. Bursaries from Swansea Metropolitan University are available to students who live more than 45 miles from the University.

Case study - Doug. Lives and studies in Wales. He's an independent student, has 2 children and a net household income of £33,680

	Tuition Fee Support		Maintenance Support		Total Statutory Maintenance Support (Grant & Loan)	Total Grant Support	Total Loan Support	Total Student Finance Wales Support	Welsh Bursary Scheme	HEI bursary (2008/09 level) (a)	Total bursaries
	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant / Maintenance Grant	Maintenance Loan							
Current forecasted eligibility	£1,995	£1,315	£776	£4,099	£4,875	£2,771	£5,414	£8,185	£0	£1,000	£1,000
Scenario 1a - phasing out the tuition fee grant from 2010/11 - increased ALG (50/50 split)	£0	£3,310	£1,252	£3,623	£4,875	£1,252	£6,933	£8,185	£0	£1,000	£1,000
Scenario 1b - phasing out the tuition fee grant from 2010/11 - increased ALG (40% ALG)	£0	£3,310	£1,150	£3,725	£4,875	£1,150	£7,035	£8,185	£0	£1,000	£1,000
Scenario 2a - means-testing the tuition fee grant from 2010/11 - increased ALG (50/50 split)	£658	£2,652	£1,047	£3,828	£4,875	£1,705	£6,480	£8,185	£0	£1,000	£1,000
Scenario 2b - means-testing the tuition fee grant from 2010/11 - increased ALG (40% ALG)	£658	£2,652	£996	£3,879	£4,875	£1,654	£6,531	£8,185	£0	£1,000	£1,000
Scenario 3a - cost of increasing ALG in line with English model	£0	£3,310	£1,619	£3,552	£5,171	£1,619	£6,862	£8,481	£0	£1,000	£1,000
Scenario 3b - Phase-out tuition fee grant from 2010/11 - ALG thresholds increased to fit 1/3 split	£0	£3,310	£1,076	£3,799	£4,875	£1,076	£7,109	£8,185	£0	£1,000	£1,000
Scenario 5a - phased out tuition fee grant from 2010/11 - no increase in ALG	£0	£3,310	£776	£4,099	£4,875	£776	£7,409	£8,185	£0	May change	May change
Scenario 5b - phased out tuition fee grant from 2010/11 - increase ALG (25% ALG split)	£0	£3,310	£996	£3,879	£4,875	£996	£7,189	£8,185	£0	May change	May change
Scenario 6a - phasing out the tuition fee grant from 2010/11 - increased ALG to £6,000	£0	£3,310	£1,560	£3,315	£4,875	£1,560	£6,625	£8,185	£0	May change	May change
Scenario 6b - phasing out the tuition fee grant from 2010/11 - increased ALG to £6,000, reduced eligibility thresholds	£0	£3,310	£0	£4,875	£4,875	£0	£8,185	£8,185	£0	May change	May change
Scenario 6c - phasing out the tuition fee grant from 2010/11 - increased ALG to £5,000	£0	£3,310	£1,304	£3,571	£4,875	£1,304	£6,881	£8,185	£0	May change	May change

(a) The HEI bursaries are as for academic year 2008/09 and have been obtained from each institution's website. The bursary at Bangor University is means-tested. For Scenarios 5a and 5b bursaries are more likely to change considerably due to increased resources available. Scenarios 6a, 6b and 6c may also provide some additional resources for bursaries.

Owain - lives and studies in Wales. He's a dependent student where the net household income is £20,520

	Tuition Fee Support		Maintenance Support		Total Statutory Maintenance Support (Grant & Loan)	Total Grant Support	Total Loan Support	Total Student Finance Wales Support	Welsh Bursary Scheme	HEI bursary (2008/09 level) (a)	Total bursaries
	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant / Maintenance Grant	Maintenance Loan							
Current forecasted eligibility	£1,995	£1,315	£2,702	£3,552	£6,254	£4,697	£4,867	£9,564	£0	£500	£500
Scenario 1a - phasing out the tuition fee grant from 2010/11 - increased ALG (50/50 split)	£0	£3,310	£4,352	£2,715	£7,067	£4,352	£6,025	£10,377	£0	£500	£500
Scenario 1b - phasing out the tuition fee grant from 2010/11 - increased ALG (40% ALG)	£0	£3,310	£3,989	£2,895	£6,884	£3,989	£6,205	£10,194	£0	£500	£500
Scenario 2a - means-testing the tuition fee grant from 2010/11 - increased ALG (50/50 split)	£1,846	£1,464	£3,627	£3,075	£6,702	£5,473	£4,539	£10,012	£0	£500	£500
Scenario 2b - means-testing the tuition fee grant from 2010/11 - increased ALG (40% ALG)	£1,846	£1,464	£3,445	£3,165	£6,610	£5,291	£4,629	£9,920	£0	£500	£500
Scenario 3a - cost of increasing ALG in line with English model	£0	£3,310	£2,984	£3,552	£6,536	£2,984	£6,862	£9,846	£0	£500	£500
Scenario 3b - Phase-out tuition fee grant from 2010/11 - ALG thresholds increased to fit 1/3 split	£0	£3,310	£2,896	£3,552	£6,448	£2,896	£6,862	£9,758	£0	£500	£500
Scenario 5a - phased out tuition fee grant from 2010/11 - no increase in ALG	£0	£3,310	£2,702	£3,552	£6,254	£2,702	£6,862	£9,564	£0	May change	May change
Scenario 5b - phased out tuition fee grant from 2010/11 - increase ALG (25% ALG split)	£0	£3,310	£3,445	£3,165	£6,610	£3,445	£6,475	£9,920	£0	May change	May change
Scenario 6a - phasing out the tuition fee grant from 2010/11 - increased ALG to £6,000	£0	£3,310	£5,440	£2,175	£7,615	£5,440	£5,485	£10,925	£0	May change	May change
Scenario 6b - phasing out the tuition fee grant from 2010/11 - increased ALG to £6,000, reduced eligibility thresholds	£0	£3,310	£3,112	£2,175	£5,287	£3,112	£5,485	£8,597	£0	May change	May change
Scenario 6c - phasing out the tuition fee grant from 2010/11 - increased ALG to £5,000	£0	£3,310	£4,533	£2,625	£7,158	£4,533	£5,935	£10,468	£0	May change	May change

(a) The HEI bursaries are as for academic year 2008/09 and have been obtained from each institution's website. The bursary from Swansea Metropolitan University is available to students who live more than 45 miles from the University. For Scenarios 5a and 5b bursaries are more likely to change considerably due to increased resources available.

Scenarios 6a, 6b and 6c may also provide some additional resources for bursaries.

Amanda - lives in England and studies in Wales. She's a dependent student where the net household income is £68,840

	Tuition Fee Support		Maintenance Support		Total Statutory Maintenance Support (Grant & Loan)	Total Grant Support	Total Loan Support	Total Student Finance Wales Support	Welsh Bursary Scheme	HEI bursary (2008/09 level) (a)	Total bursaries
	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant / Maintenance Grant	Maintenance Loan							
Current forecasted eligibility	£0	£3,310	£0	£4,207	£4,207	£0	£7,517	£7,517	£0	£0	£0
Scenario 1a - phasing out the tuition fee grant from 2010/11 - increased maintenance grant (50/50 split)	£0	£3,310	£0	£4,207	£4,207	£0	£7,517	£7,517	£0	£0	£0
Scenario 1b - phasing out the tuition fee grant from 2010/11 - increased maintenance grant (40% ALG)	£0	£3,310	£0	£4,207	£4,207	£0	£7,517	£7,517	£0	£0	£0
Scenario 2a - means-testing the tuition fee grant from 2010/11 - increased maintenance grant (50/50)	£0	£3,310	£0	£4,207	£4,207	£0	£7,517	£7,517	£0	£0	£0
Scenario 2b - means-testing the tuition fee grant from 2010/11 - increased maintenance grant (40%)	£0	£3,310	£0	£4,207	£4,207	£0	£7,517	£7,517	£0	£0	£0
Scenario 3a - cost of increasing maintenance grant in line with English model	£0	£3,310	£0	£4,207	£4,207	£0	£7,517	£7,517	£0	£0	£0
Scenario 3b - Phase-out tuition fee grant from 2010/11 - maintenance grant thresholds increased to fit 1/3 split	£0	£3,310	£0	£4,207	£4,207	£0	£7,517	£7,517	£0	£0	£0
Scenario 5a - phased out tuition fee grant from 2010/11 - no increase in maintenance grant	£0	£3,310	£0	£4,207	£4,207	£0	£7,517	£7,517	£0	May change	May change
Scenario 5b - phased out tuition fee grant from 2010/11 - increase maintenance grant (25% ALG split)	£0	£3,310	£0	£4,207	£4,207	£0	£7,517	£7,517	£0	May change	May change
Scenario 6a - phasing out the tuition fee grant from 2010/11 - increased ALG to £6,000	£0	£3,310	£0	£4,207	£4,207	£0	£7,517	£7,517	£0	May change	May change
Scenario 6b - phasing out the tuition fee grant from 2010/11 - increased ALG to £6,000, reduced eligibility thresholds	£0	£3,310	£0	£4,207	£4,207	£0	£7,517	£7,517	£0	May change	May change
Scenario 6c - phasing out the tuition fee grant from 2010/11 - increased ALG to £5,000	£0	£3,310	£0	£4,207	£4,207	£0	£7,517	£7,517	£0	May change	May change

(a) The HEI bursaries are as for academic year 2008/09 and have been obtained from each institution's website. Bursaries at Cardiff University are means-tested.

For Scenarios 5a and 5b bursaries are more likely to change considerably due to increased resources available. Scenarios 6a, 6b and 6c may also

provide some additional resources for bursaries.

Katherine - lives and studies in Wales. She is an independent student with nil assessable income.

	Tuition Fee Support		Maintenance Support		Total Statutory Maintenance Support (Grant & Loan)	Total Grant Support	Total Loan Support	Total Student Finance Wales Support	Welsh Bursary Scheme	HEI bursary (2008/09 level) (a)	Total bursaries
	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant / Maintenance Grant	Maintenance Loan							
Current forecasted eligibility	£1,995	£1,315	£2,984	£3,552	£6,536	£4,979	£4,867	£9,846	£326	£1,000	£1,326
Scenario 1a - phasing out the tuition fee grant from 2010/11 - increased ALG (50/50 split)	£0	£3,310	£4,800	£2,715	£7,515	£4,800	£6,025	£10,825	£326	£1,000	£1,326
Scenario 1b - phasing out the tuition fee grant from 2010/11 - increased ALG (40% ALG)	£0	£3,310	£4,400	£2,895	£7,295	£4,400	£6,205	£10,605	£326	£1,000	£1,326
Scenario 2a - means-testing the tuition fee grant from 2010/11 - increased ALG (50/50 split)	£1,995	£1,315	£4,000	£3,075	£7,075	£5,995	£4,390	£10,385	£326	£1,000	£1,326
Scenario 2b - means-testing the tuition fee grant from 2010/11 - increased ALG (40% ALG)	£1,995	£1,315	£3,800	£3,165	£6,965	£5,795	£4,480	£10,275	£326	£1,000	£1,326
Scenario 3a - cost of increasing ALG in line with English model	£0	£3,310	£2,984	£3,552	£6,536	£2,984	£6,862	£9,846	£326	£1,000	£1,326
Scenario 3b - Phase-out tuition fee grant from 2010/11 - ALG thresholds increased to fit 1/3 split	£0	£3,310	£2,984	£3,552	£6,536	£2,984	£6,862	£9,846	£326	£1,000	£1,326
Scenario 5a - phased out tuition fee grant from 2010/11 - no increase in ALG	£0	£3,310	£2,984	£3,552	£6,536	£2,984	£6,862	£9,846	£326	May	May
Scenario 5b - phased out tuition fee grant from 2010/11 - increase ALG (25% ALG split)	£0	£3,310	£3,800	£3,165	£6,965	£3,800	£6,475	£10,275	£326	change	change
Scenario 6a - phasing out the tuition fee grant from 2010/11 - increased ALG to £6,000	£0	£3,310	£6,000	£2,175	£8,175	£6,000	£5,485	£11,485	£326	change	change
Scenario 6b - phasing out the tuition fee grant from 2010/11 - increased ALG to £6,000, reduced eligibility thresholds	£0	£3,310	£6,000	£2,175	£8,175	£6,000	£5,485	£11,485	£326	change	change
Scenario 6c - phasing out the tuition fee grant from 2010/11 - increased ALG to £5,000	£0	£3,310	£5,000	£2,625	£7,625	£5,000	£5,935	£10,935	£326	change	change

(a) The HEI bursaries are as for academic year 2008/09 and have been obtained from each institutions website. Bursaries at University of Wales Newport are means-tested. For Scenarios 5a and 5b bursaries are more likely to change considerably due to increased resources available.

Scenarios 6a, 6b and 6c may also provide some additional resources for bursaries

Case study - Andy is EU resident studying in Wales with an equivalent income of £40,000

	Tuition Fee Support		Maintenance Support		Total Statutory Maintenance Support (Grant & Loan)	Total Grant Support	Total Loan Support	Total Student Finance Wales Support	Welsh Bursary Scheme	HEI bursary (2008/09 level) (a)	Total bursaries
	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant / Maintenance Grant	Maintenance Loan							
Current forecasted eligibility	£1,995	£1,315	£0	£0	£0	£1,995	£1,315	£3,310	£0	£0	£0
Scenario 1a - phasing out the tuition fee grant from 2010/11 - increased ALG (50/50 split)	£0	£3,310	£0	£0	£0	£0	£3,310	£3,310	£0	£0	£0
Scenario 1b - phasing out the tuition fee grant from 2010/11 - increased ALG (40% ALG)	£0	£3,310	£0	£0	£0	£0	£3,310	£3,310	£0	£0	£0
Scenario 2a - means-testing the tuition fee grant from 2010/11 - increased ALG (50/50 split)	£87	£3,223	£0	£0	£0	£87	£3,223	£3,310	£0	£0	£0
Scenario 2b - means-testing the tuition fee grant from 2010/11 - increased ALG (40% ALG)	£87	£3,223	£0	£0	£0	£87	£3,223	£3,310	£0	£0	£0
Scenario 3a - cost of increasing ALG in line with English model	£0	£3,310	£0	£0	£0	£0	£3,310	£3,310	£0	£0	£0
Scenario 3b - Phase-out tuition fee grant from 2010/11 - ALG thresholds increased to fit 1/3 split	£0	£3,310	£0	£0	£0	£0	£3,310	£3,310	£0	£0	£0
Scenario 5a - phased out tuition fee grant from 2010/11 - no increase in ALG	£0	£3,310	£0	£0	£0	£0	£3,310	£3,310	£0	May	May
Scenario 5b - phased out tuition fee grant from 2010/11 - increase ALG (25% ALG split)	£0	£3,310	£0	£0	£0	£0	£3,310	£3,310	£0	change	change
Scenario 6a - phasing out the tuition fee grant from 2010/11 - increased ALG to £6,000	£0	£3,310	£0	£0	£0	£0	£3,310	£3,310	£0	May	May
Scenario 6b - phasing out the tuition fee grant from 2010/11 - increased ALG to £6,000, reduced eligibility thresholds	£0	£3,310	£0	£0	£0	£0	£3,310	£3,310	£0	change	change
Scenario 6c - phasing out the tuition fee grant from 2010/11 - increased ALG to £5,000	£0	£3,310	£0	£0	£0	£0	£3,310	£3,310	£0	change	change

(a) The HEI bursaries are as for academic year 2008/09 and have been obtained from each institution's website. Bursaries from University of Wales Lampeter are subject specific. For Scenarios 5a and 5b bursaries are more likely to change considerably due to increased resources available. Scenarios 6a, 6b and 6c may also provide some additional resources for bursaries.

Case study - Gemma - lives and studies in Wales. She's a dependent student where the net household income is £35,680

	Tuition Fee Support		Maintenance Support		Total Statutory Maintenance Support (Grant & Loan)	Total Grant Support	Total Loan Support	Total Student Finance Wales Support	Welsh Bursary Scheme	HEI bursary (2008/09 level) (a)	Total bursaries
	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant / Maintenance Grant	Maintenance Loan							
Current forecasted eligibility	£1,995	£1,315	£560	£4,315	£4,875	£2,555	£5,630	£8,185	£0	£200	£200
Scenario 1a - phasing out the tuition fee grant from 2010/11 - increased ALG (50/50 split)	£0	£3,310	£895	£3,980	£4,875	£895	£7,290	£8,185	£0	£200	£200
Scenario 1b - phasing out the tuition fee grant from 2010/11 - increased ALG (40% ALG)	£0	£3,310	£823	£4,052	£4,875	£823	£7,362	£8,185	£0	£200	£200
Scenario 2a - means-testing the tuition fee grant from 2010/11 - increased ALG (50/50 split)	£477	£2,833	£751	£4,124	£4,875	£1,228	£6,957	£8,185	£0	£200	£200
Scenario 2b - means-testing the tuition fee grant from 2010/11 - increased ALG (40% ALG)	£477	£2,833	£715	£4,160	£4,875	£1,192	£6,993	£8,185	£0	£200	£200
Scenario 3a - cost of increasing ALG in line with English model	£0	£3,310	£1,310	£3,565	£4,875	£1,310	£6,875	£8,185	£0	£200	£200
Scenario 3b - Phase-out tuition fee grant from 2010/11 - ALG thresholds increased to fit 1/3 split	£0	£3,310	£560	£4,315	£4,875	£560	£7,625	£8,185	£0	£200	£200
Scenario 5a - phased out tuition fee grant from 2010/11 - no increase in ALG	£0	£3,310	£560	£4,315	£4,875	£560	£7,625	£8,185	£0	May	May
Scenario 5b - phased out tuition fee grant from 2010/11 - increase ALG (25% ALG split)	£0	£3,310	£715	£4,160	£4,875	£715	£7,470	£8,185	£0	change	change
Scenario 6a - phasing out the tuition fee grant from 2010/11 - increased ALG to £6,000	£0	£3,310	£1,111	£3,764	£4,875	£1,111	£7,074	£8,185	£0	May	May
Scenario 6b - phasing out the tuition fee grant from 2010/11 - increased ALG to £6,000, reduced eligibility thresholds	£0	£3,310	£0	£4,668	£4,668	£0	£7,978	£7,978	£0	change	change
Scenario 6c - phasing out the tuition fee grant from 2010/11 - increased ALG to £5,000	£0	£3,310	£931	£3,944	£4,875	£931	£7,254	£8,185	£0	change	change

a) The HEI bursaries are as for academic year 2008/09 and have been obtained from each institution's website. Bursaries at Aberystwyth University are means-tested.

For Scenarios 5a and 5b bursaries are more likely to change considerably due to increased resources available.

Scenarios 6a, 6b and 6c may also provide some additional resources for bursaries.

Case study - John lives in Wales and studies in England. He's a dependent student where the net household income is £20,520

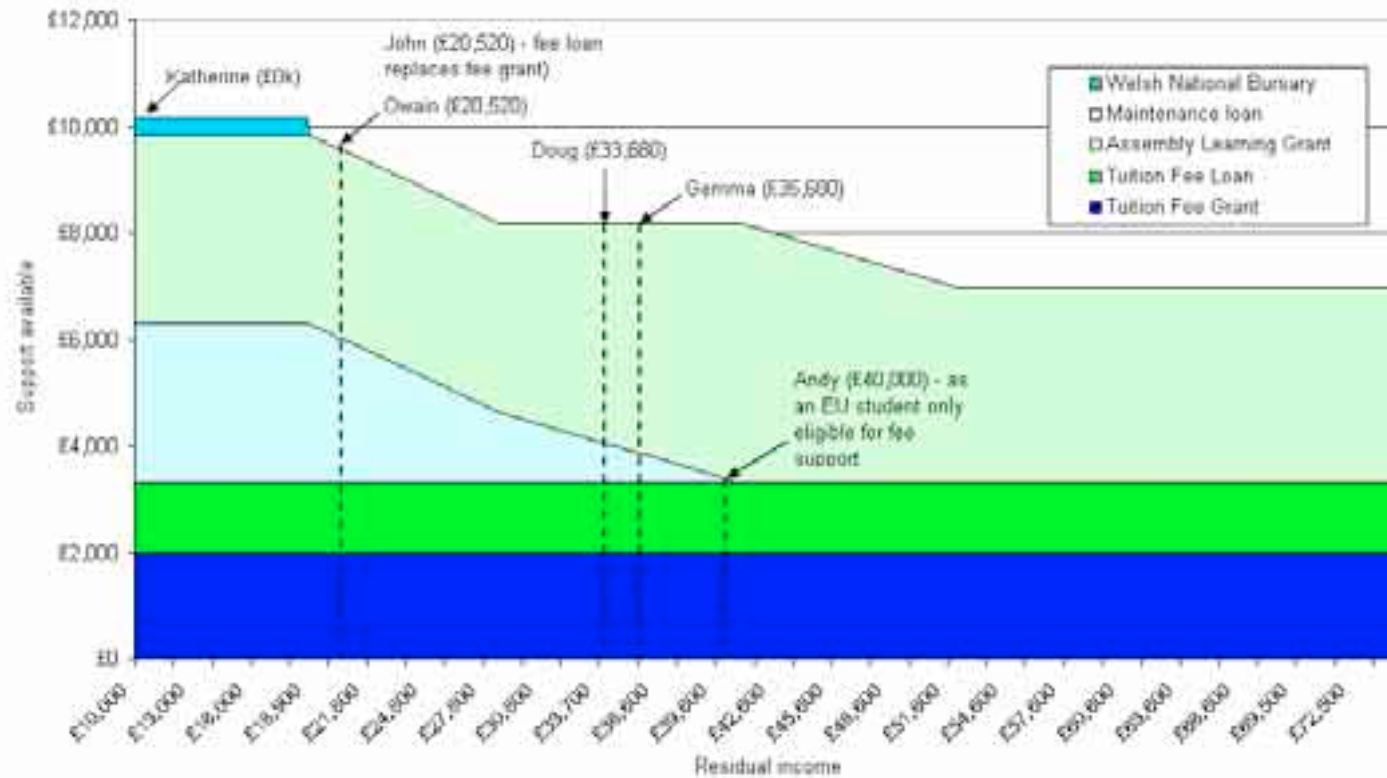
	Tuition Fee Support		Maintenance Support		Total Statutory Maintenance Support (Grant & Loan)	Total Grant Support	Total Loan Support	Total Student Finance Wales Support	Welsh Bursary Scheme	HEI bursary (2008/09 level) (a)	Total bursaries
	Tuition Fee Grant	Tuition Fee Loan	Assembly Learning Grant / Maintenance Grant	Maintenance Loan							
Current forecasted eligibility	£0	£3,310	£2,702	£3,552	£6,254	£2,702	£6,862	£9,564	£0	£1,200	£1,200
Scenario 1a - phasing out the tuition fee grant from 2010/11 - increased ALG (50/50 split)	£0	£3,310	£4,352	£2,715	£7,067	£4,352	£6,025	£10,377	£0	£1,200	£1,200
Scenario 1b - phasing out the tuition fee grant from 2010/11 - increased ALG (40% ALG)	£0	£3,310	£3,989	£2,895	£6,884	£3,989	£6,205	£10,194	£0	£1,200	£1,200
Scenario 2a - means-testing the tuition fee grant from 2010/11 - increased ALG (50/50 split)	£0	£3,310	£3,627	£3,075	£6,702	£3,627	£6,385	£10,012	£0	£1,200	£1,200
Scenario 2b - means-testing the tuition fee grant from 2010/11 - increased ALG (40% ALG)	£0	£3,310	£3,445	£3,165	£6,610	£3,445	£6,475	£9,920	£0	£1,200	£1,200
Scenario 3a - cost of increasing ALG in line with English model	£0	£3,310	£2,984	£3,552	£6,536	£2,984	£6,862	£9,846	£0	£1,200	£1,200
Scenario 3b - Phase-out tuition fee grant from 2010/11 - ALG thresholds increased to fit 1/3 split	£0	£3,310	£2,896	£3,552	£6,448	£2,896	£6,862	£9,758	£0	£1,200	£1,200
Scenario 5a - phased out tuition fee grant from 2010/11 - no increase in ALG	£0	£3,310	£2,702	£3,552	£6,254	£2,702	£6,862	£9,564	£0	£1,200	£1,200
Scenario 5b - Phase-out tuition fee grant from 2010/11 - increase ALG (25% ALG split)	£0	£3,310	£3,445	£3,165	£6,610	£3,445	£6,475	£9,920	£0	£1,200	£1,200
Scenario 6a - phasing out the tuition fee grant from 2010/11 - increased ALG to £6,000	£0	£3,310	£5,440	£2,175	£7,615	£5,440	£5,485	£10,925	£0	£1,200	£1,200
Scenario 6b - phasing out the tuition fee grant from 2010/11 - increased ALG to £6,000, reduced eligibility thresholds	£0	£3,310	£3,112	£2,175	£5,287	£3,112	£5,485	£8,597	£0	£1,200	£1,200
Scenario 6c - phasing out the tuition fee grant from 2010/11 - increased ALG to £5,000	£0	£3,310	£4,533	£2,625	£7,158	£4,533	£5,935	£10,468	£0	£1,200	£1,200

(a) The HEI bursaries are as for academic year 2008/09 and have been obtained from each institution's website. Bursaries at the University of Bristol are means-tested.

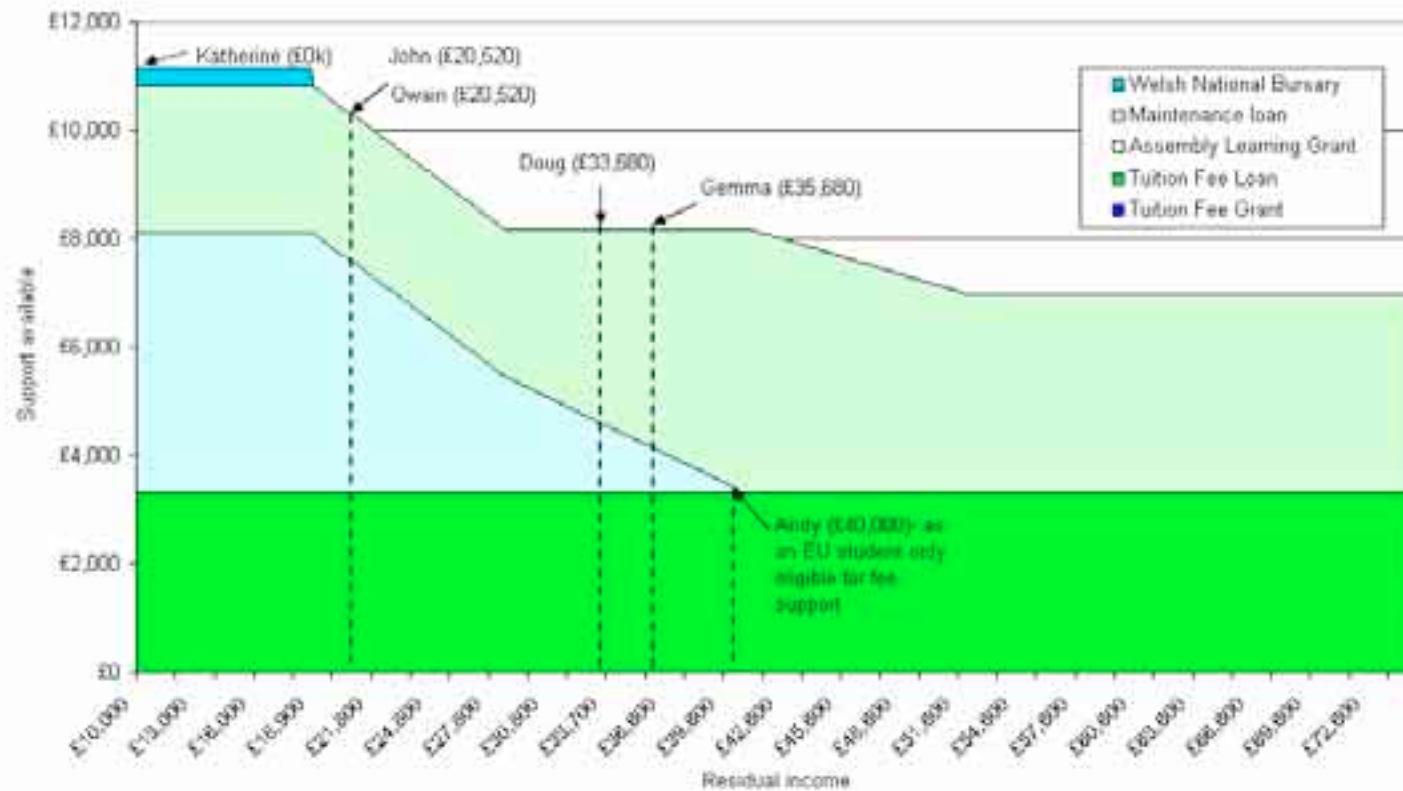
Student Finance Reform Options – Illustrative Scenarios Considered: Graphs demonstrating the consequences of current forecasted arrangements and each illustrative scenario for full-time undergraduate students normally living in Wales and studying in Welsh HEIs, and the student case studies

Please note that as the Group did not wish to consider Scenarios 4a and 4b in more detail, no graphs are provided for these scenarios.

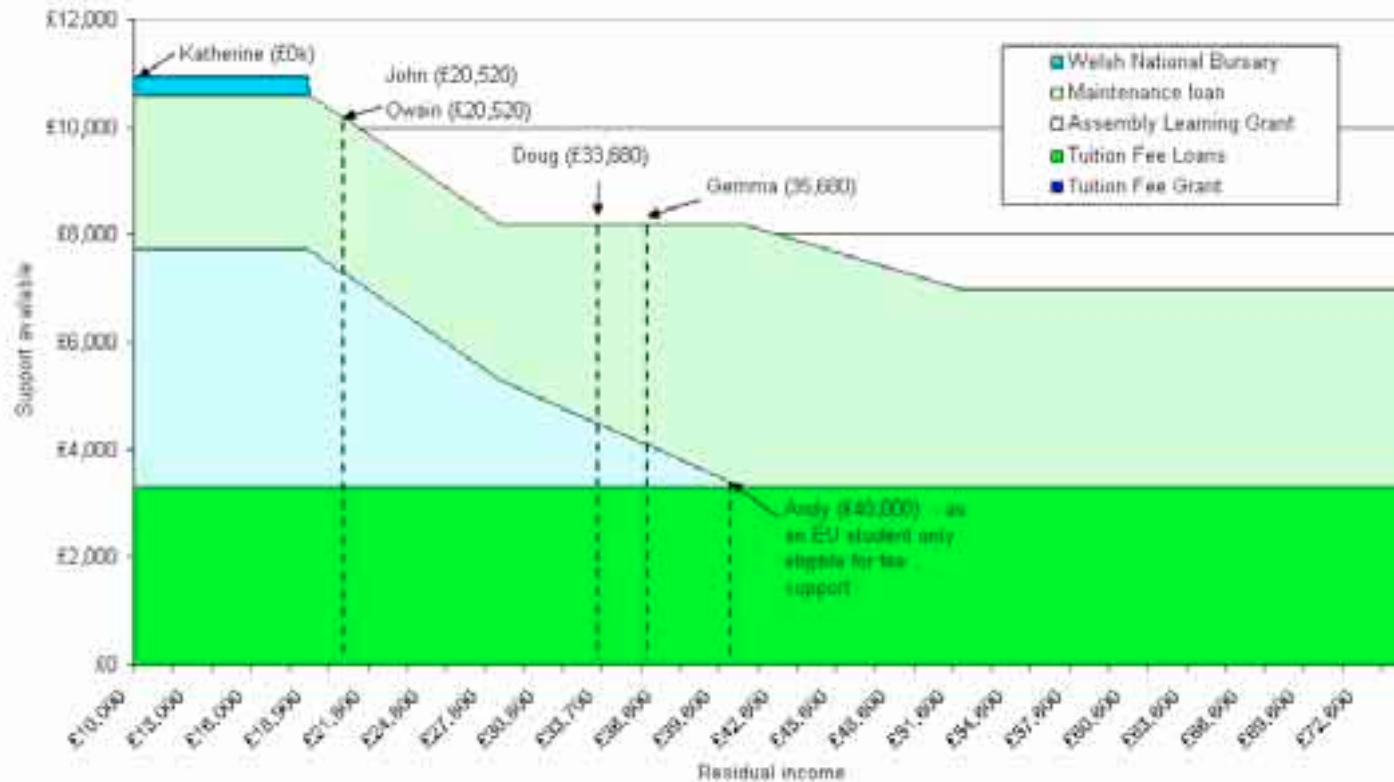
Current Forecasts - Total support available to Welsh domiciled students, academic year 2010/11



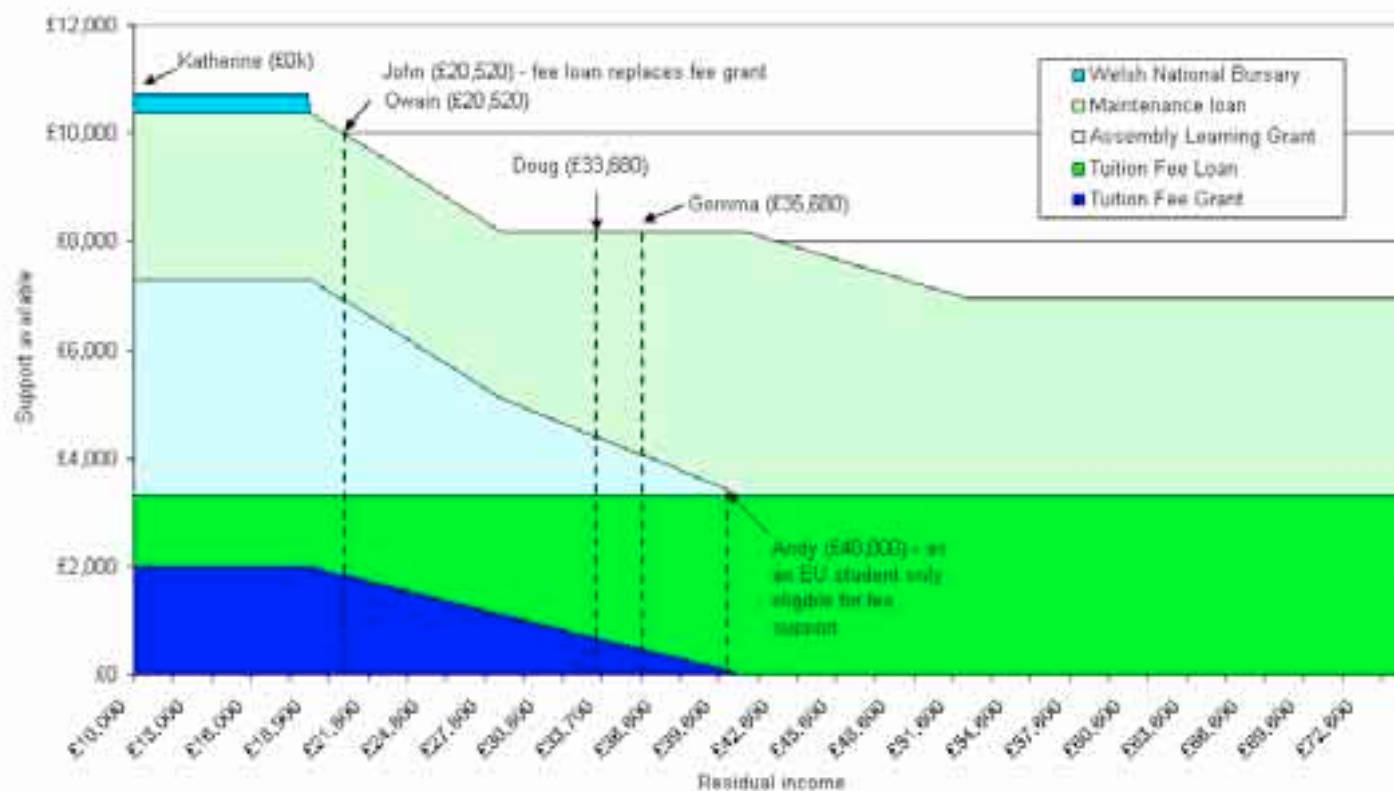
Scenario 1a - Total support available to Welsh domiciled students, academic year 2010/11



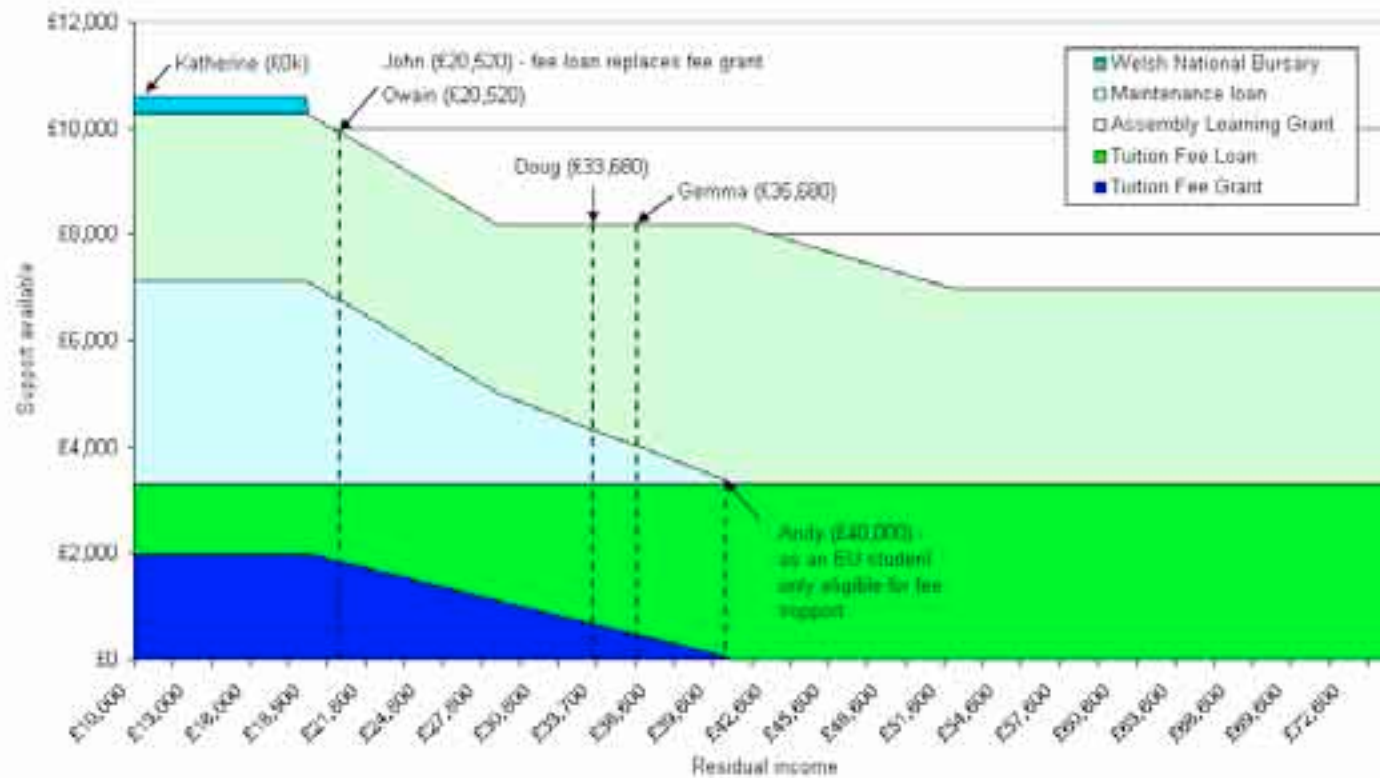
Scenario 1b - Total support available to Welsh domiciled students, academic year 2010/11



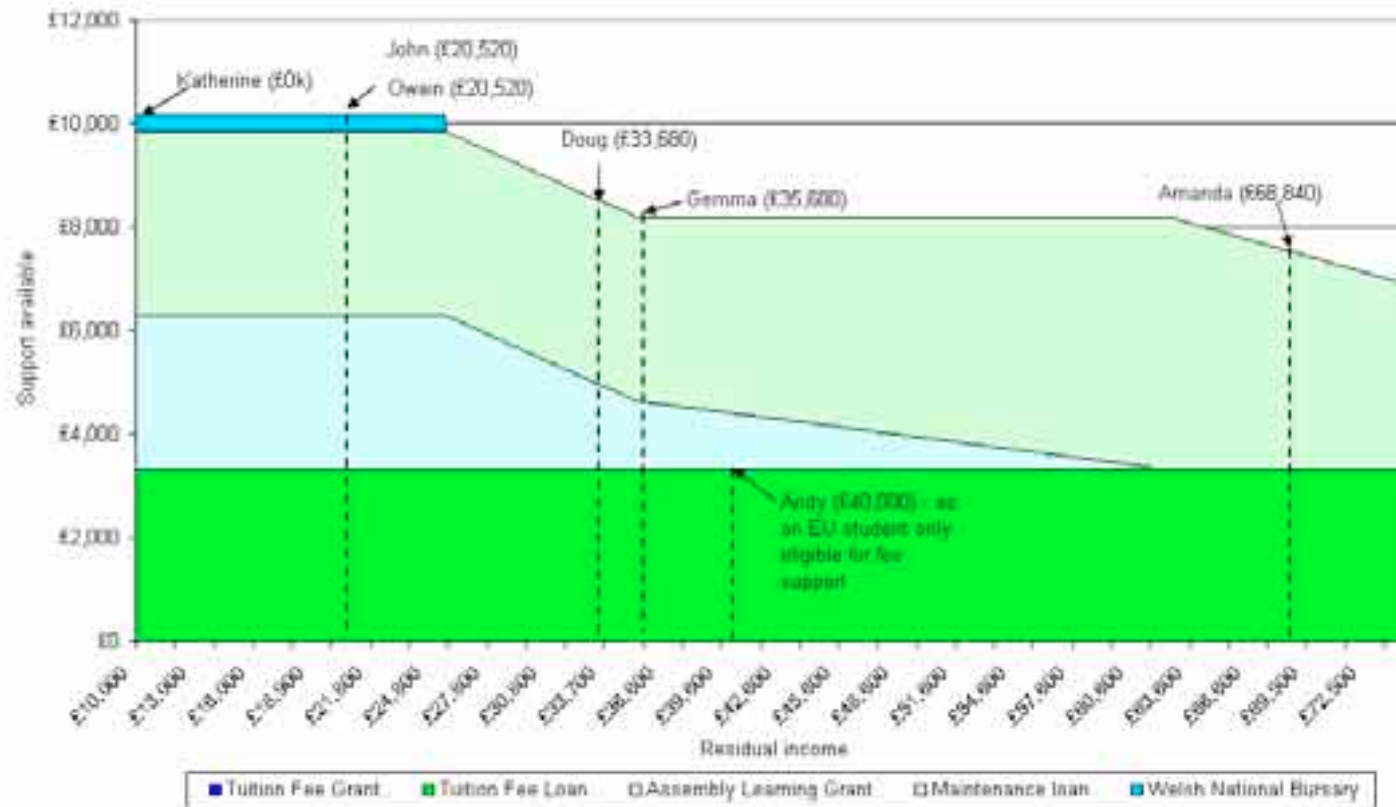
Scenario 2a - Total support available to Welsh domiciled students, academic year 2010/11



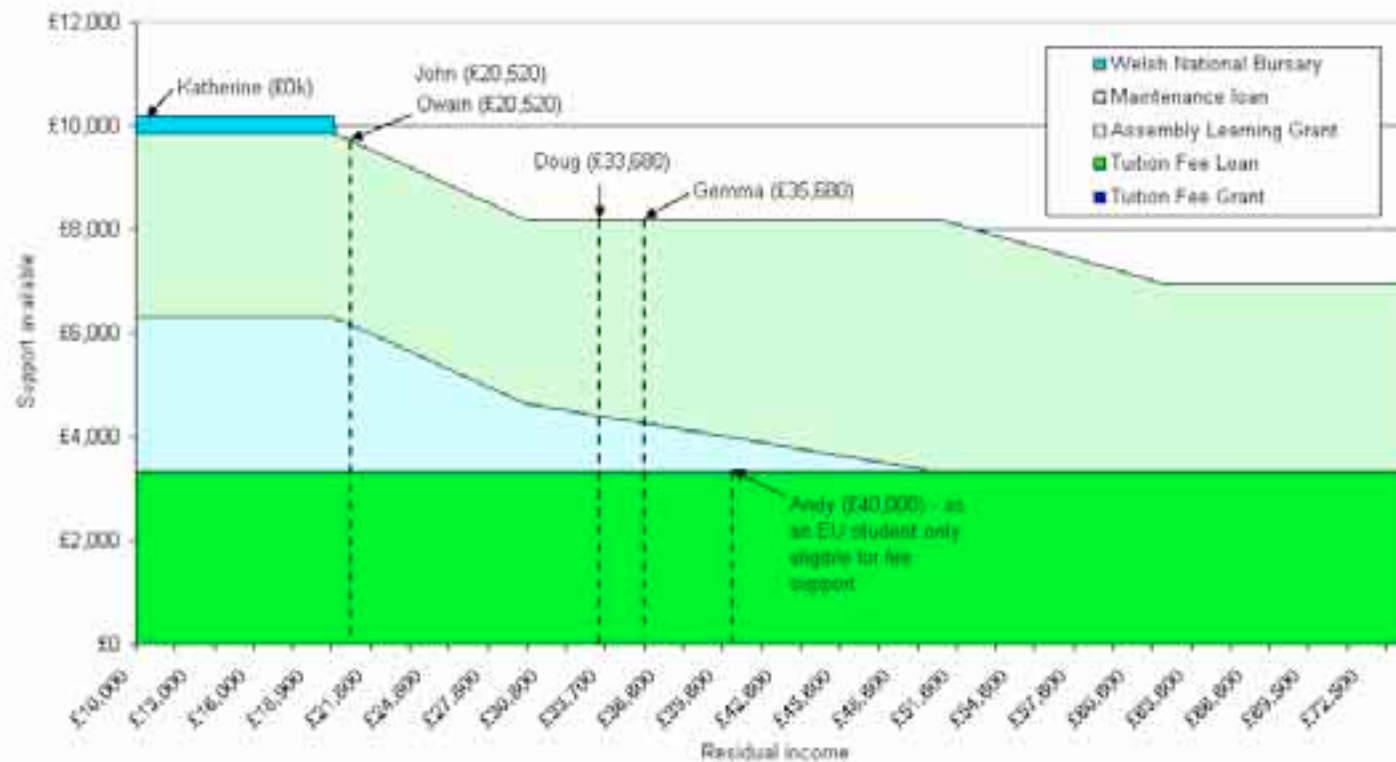
Scenario 2b - Total support available to Welsh domiciled students, academic year 2010/11



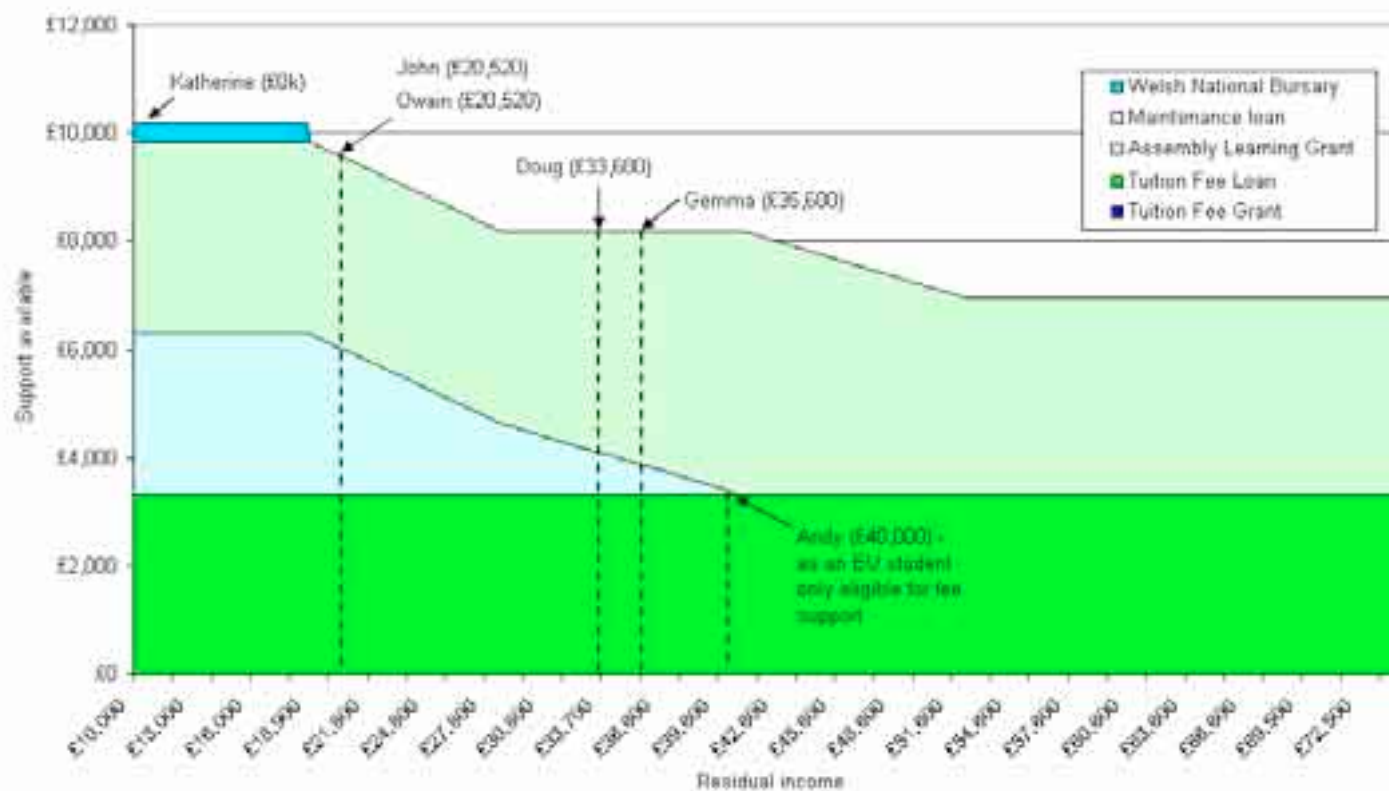
Scenario 3a - Total support available to Welsh domiciled students, academic year 2010/11



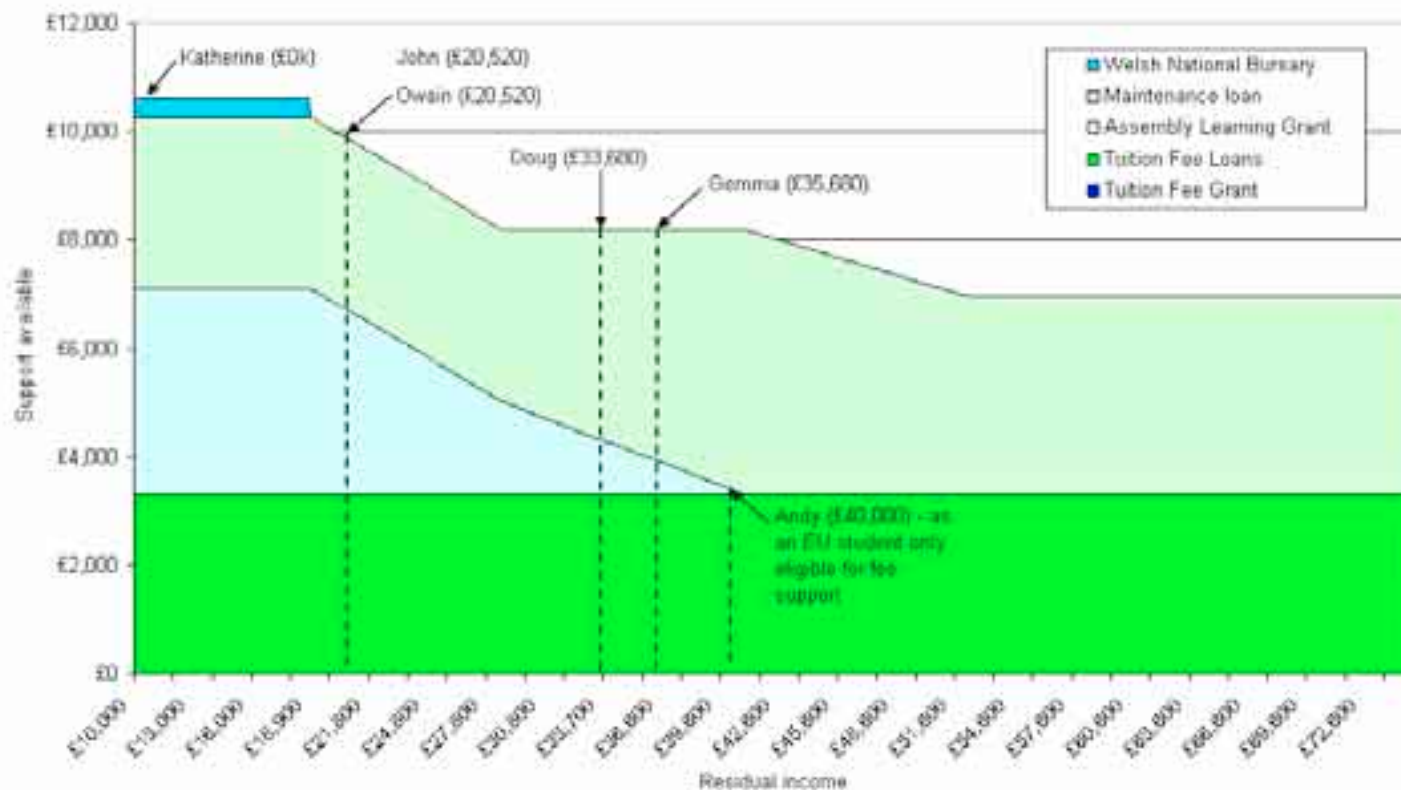
Scenario 3b - Total support available to Welsh domiciled students, academic year 2010/11



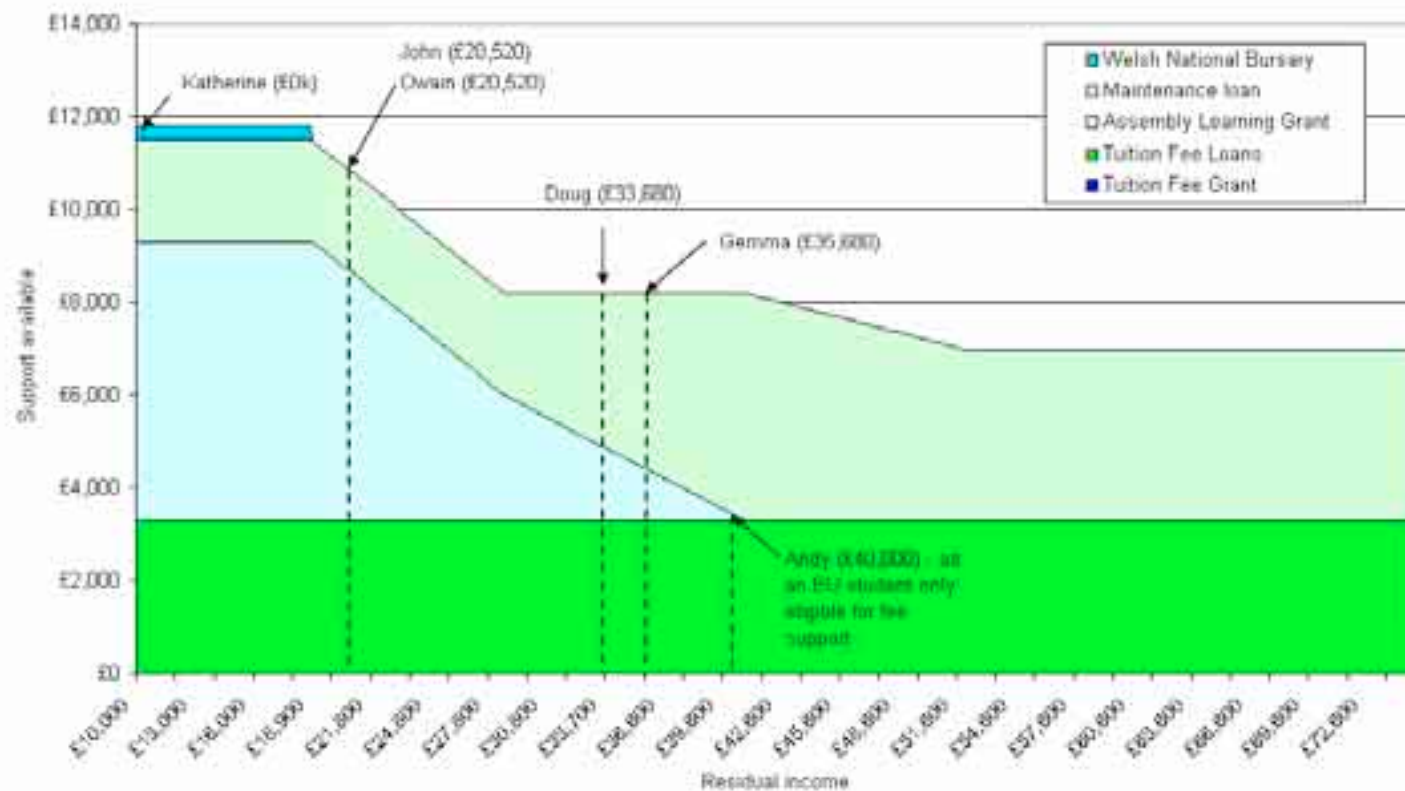
Scenario 5a - Total support available to Welsh domiciled students, academic year 2010/11



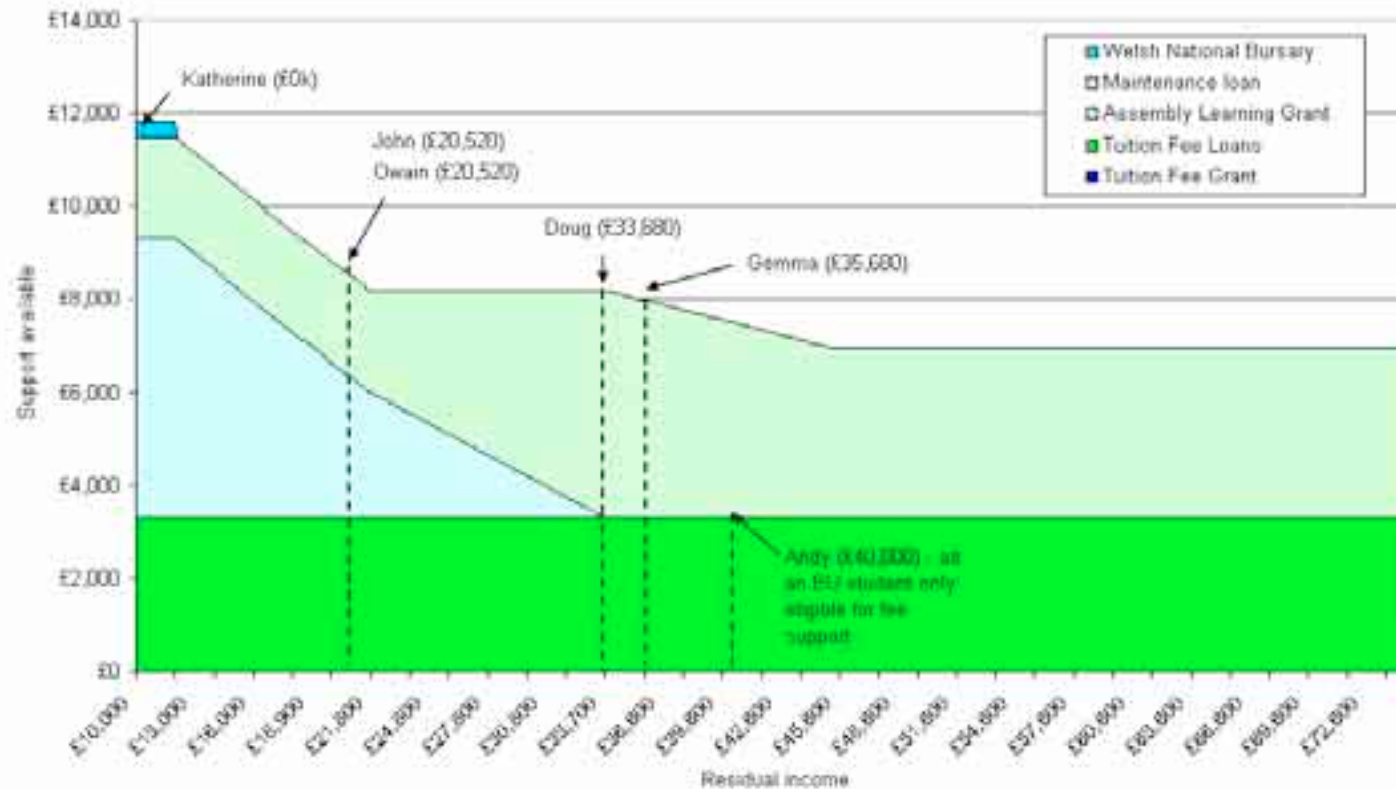
Scenario 5b - Total support available to Welsh domiciled students, academic year 2010/11



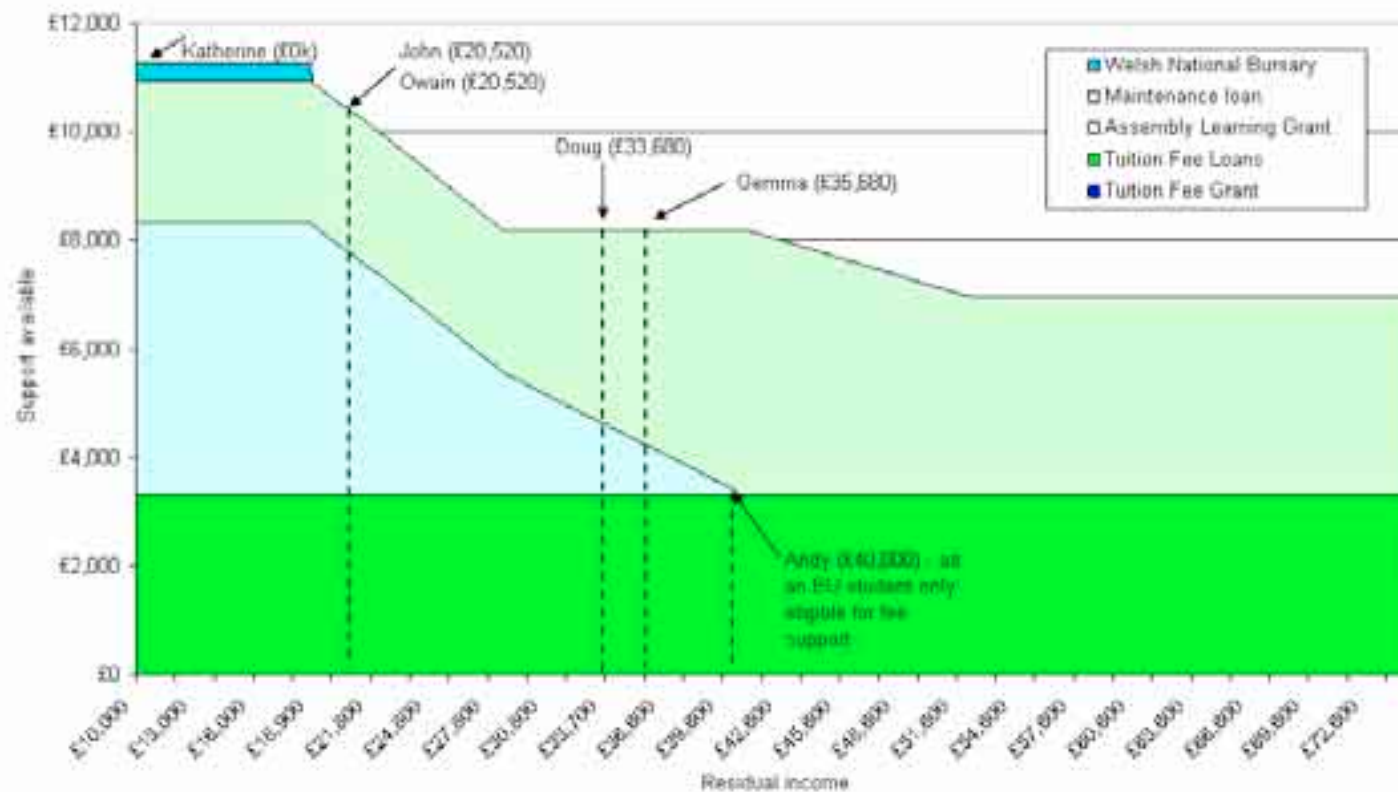
Scenario 6a - Total support available to Welsh domiciled students, academic year 2010/11



Scenario 6b - Total support available to Welsh domiciled students, academic year 2010/11



Scenario 6c - Total support available to Welsh domiciled students, academic year 2010/11



Glossary of Terms and Abbreviations

ALG or ALG (HE)	Assembly Learning Grant – a grant to help with maintenance costs for full-time undergraduate HE students normally living in Wales. A different Assembly Learning Grant is also available to students in further education, but this is not discussed in this report.
AM	Assembly Member.
AME	Annually Managed Expenditure. A full definition of AME is provided above in the Appendix ‘Definition of Funding Type’.
AY	Academic year.
Cash	See the Appendix ‘Definition of Funding Type’ above.
CELLS MAG	Ministerial Advisory Group for Children, Education, Lifelong Learning and Skills. The broad remit of the MAG is to advise the Welsh Assembly Government’s Children, Education, Lifelong Learning and Skills Minister on the development, implementation and impact of policy development and delivery by providing a means of positive challenge.
DCELLS	The Welsh Assembly Government’s Department for Children, Education, Lifelong Learning and Skills, which is responsible for higher education and student finance policy in Wales.
DEL	Departmental Expenditure Limit. A full definition of DEL is provided above in the Appendix ‘Definition of Funding Type’.
Dependent student	Status used in determining whose income should be part of the household income assessment. A ‘dependent student’ normally lives in the parental home and/or relies on at least one parent for financial support.
DIUS	Department for Innovation, Universities and Skills, the UK Government department which is responsible for higher education and student finance policy in England.
Eligibility thresholds	See ‘income thresholds’.
EMA	Educational Maintenance Allowance - a scheme providing young people who wish to continue in education after school leaving age with an incentive to earn financial awards through good attendance and achieving agreed objectives.

English-domiciled students	Students normally living in England.
EYF	End Year Flexibility. A full definition of EYF is provided above in the Appendix 'Definition of Funding Type'.
Flexible fees	A term often used when referring to variable fees (see below).
FY	Financial year.
Graham Review	<i>Independent Review of Part-Time Higher Education Study in Wales: Final Report</i> , chaired by Dr Heather Graham, June 2006. This was the report of an independent review group on support for part-time students and the funding of part-time HE provision, in Wales.
HE	Higher education.
HEFCW	Higher Education Funding Council Wales.
HEIs	Higher education institutions.
HMRC	Her Majesty's Revenue and Customs.
Household income	<p>Income for a household – used to determine what a student is entitled to through the statutory student finance system.</p> <p>Certain allowances and deductions are made from the total income coming into the household - for example, for dependent children. The amount left after these deductions is called 'household income', 'residual household income', or 'net household income'.</p>
ICR	<p>Income Contingent Repayment – the way in which student loans are repaid. Repayments are linked to a borrower's income, not the size of the loan. Borrowers only start repaying their loan once their income rises above £15,000 per year, and repay 9% of their income over £15,000. This means that repayments of student loans is progressive – the amount of income that goes into repayments rises as income does.</p>
Income thresholds	The income levels set for eligibility for individual grants/loans and bursaries. (Sometimes referred to as 'eligibility thresholds'.)

Independent student	<p>Status used in determining whose income should be part of the household income assessment.</p> <p>An 'independent student' does not rely upon their parent, parents or guardian for financial support. Students over the age of 25 are automatically treated as 'independent' and there are circumstances where students under 25 years old can be treated as 'independent': for instance, if they are married.</p>
Index-linking	<p>Linking increases in a given amount to an index of prices, so that the amount rises in line with the general rate of inflation.</p> <p>The rate of interest on student loans is linked to the general rate of inflation in this way. This is done by working out the annual rate of inflation as defined by the (all items) Retail Prices Index (RPI) and using that as the interest rate for the loan. The rate of interest for student loans is recalculated each year at the beginning of September using the RPI figure from the previous March as published by the Office of National Statistics.</p>
ITT	Initial Teacher Training.
MAG	Ministerial Advisory Group.
Maintenance Grant	A grant to help with maintenance costs for full-time undergraduate HE students normally living in England.
Maintenance Loan	A subsidised student loan to help with maintenance costs for full-time undergraduate HE students normally living in Wales and England.
MEG	Main Expenditure Group. A full definition of MEG is provided above in the Appendix 'Definition of Funding Type'.
Net household income	See 'Household income'.
Non cash	See the Appendix 'Definition of Funding Type' above.
RAB Charge	Resource Accounting and Budgeting Charge. A full definition of the RAB Charge is provided above in the Appendix 'Definition of Funding Type'.

Rees Review	<i>Fair and Flexible Funding: A Welsh Model to Promote Quality and Access in Higher Education. Final Report of an Independent Study into the Devolution of the Student Support System and Tuition Fee Regime in Wales (The Rees Review)</i> , April 2005. This was a report of an independent review group chaired by Professor Teresa Rees, which offered recommendations for how best the devolved powers should be used, within the context of a UK higher education sector, to ensure an adequately funded sector for Wales and fair and flexible support for students.
Repayment holidays	All students normally living in England, starting a higher education course in AY 2008/09 or later, taking out their first student loan, and having a statutory repayment due date of April 2012 or later, will be entitled to a repayment holiday. Repayment holidays are intended to help borrowers make flexible choices over their finances at key points in their lives and careers (for example when buying a property or starting a family). Qualifying borrowers will be offered the choice of putting their student loan repayments on hold for one to five years, although the full five years offered as a repayment holiday do not have to be taken consecutively. Repayment holidays will be linked to tax years, but otherwise there is no time restriction on when a repayment holiday can be taken. Interest – at the rate of inflation – will continue to accrue on the outstanding loans during the repayment holiday. Any repayment holiday will extend the 25-year write off period by the length of the repayment break – for example, someone who takes a repayment holiday of 5 years will extend their 25 year write-off period to 30 years.
Repayment threshold	The level of income above which borrowers start repaying their student loans. Currently this level of income is set at £15,000 a year.
Residual household income	See 'Household income'.
RPI	Retail Prices Index. (See also 'Index-linking' above.)
SAAS	Student Awards Agency for Scotland. An executive agency which is responsible for providing financial support for full-time undergraduate students normally living in Scotland.

SLC	<p>Student Loans Company.</p> <p>A government-owned non-profit-making company that administers student financial support.</p>
Special Support Grant (SSG)	<p>The Special Support Grant is for students who may be eligible to receive certain means-tested benefits such as Income Support and Housing Benefit. This will generally be lone parents, other student parents and students with disabilities. The Special Support Grant will cover additional course costs such as books, equipment, travel or childcare that result from attending a course. The amount of support, the income assessment arrangements and the payment arrangements are the same as for the Assembly Learning Grant. The amount of Special Support Grant a student receives will not affect the amount of Maintenance Loan they may be entitled to receive. Nor will their entitlement to Department of Work and Pensions benefits be affected if students receive a Special Support Grant. However, students eligible to receive a Special Support Grant will not be eligible to receive an Assembly Learning Grant.</p>
Statutory repayment due date	<p>Date when a student loan borrower becomes eligible for repayments of 9% of any income above £15,000 a year. This date is the April after a borrower leaves their course.</p>
Statutory student finance	<p>The package of financial support provided to eligible students on a statutory basis through the Assembly Learning Grants and Loans (Higher Education) Regulations to help with fees and living costs while studying in higher education.</p>
Student finance	<p>The package of financial support to help with fees and living costs while studying in higher education. It can consist of grants, loans, bursaries and/or allowances.</p>
Student Finance Wales	<p>Student Finance Wales is a partnership of key stakeholders in local government, schools, further and higher education and the Student Loans Company, who deliver Welsh Assembly Government financial support to students and other learners who normally live in Wales.</p>
Student loan	<p>Any subsidised student loan – i.e. a Tuition Fee Loan and/or a Maintenance Loan.</p>

TME	Total Managed Expenditure. A full definition of TME is provided above in the Appendix 'Definition of Funding Type'.
Top-up fees	A term often used when referring to 'variable fees' (below).
Tuition Fee Grant	A grant to help with tuition fee costs for full-time undergraduate HE students normally living in Wales or EU countries outside the UK, and studying in Wales.
Tuition Fee Loan	A subsidised student loan to help with tuition fee costs for full-time undergraduate HE students normally living in Wales and England.
Up-front fees	Tuition fees for any HE course which need to be paid before leaving that course of study. Before September 2006, students paid a flat-rate tuition fee up-front or while they were studying.
Variable fees	<p>HEIs can now charge anything from £0 up to £3,145 per year for fees (2008/09 AY). This figure is capped (except for increases in line with inflation) until 2010. HEIs can choose to charge the same fee for all courses or vary the fees by course.</p> <p>HEIs in Wales are only permitted to charge variable fees when their 'Fee Plan' has been agreed by HEFCW. Universities in England are only permitted to charge variable fees if they sign an Access Agreement with the Office of Fair Access (OFFA).</p> <p>These measures were introduced to ensure that students from disadvantaged backgrounds are not deterred from higher education or their chosen university because of higher fees.</p>
Wales Employment and Skills Board	A sub-group of the Ministerial Advisory Group for Children, Education, Lifelong Learning and Skills. It was created to strengthen the employer voice on skills in Wales, give expert advice to Welsh Ministers, and help Wales to develop a high-skills economy with opportunities for everyone.
Welsh Bursary Scheme	A scheme to which all Welsh HEIs are committed, to consider all eligible full-time HE students for a means-tested Welsh Bursary of a minimum of £310 a year.
Welsh-domiciled students	Students normally living in Wales.